Daily Report

Latin America

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Mercosur Seeks Accord on Television Frequencies

PY2804134694 Madrid EFE in Spanish 2335 GMT 21 Apr 94

[Text] Buenos Aires, 21 Apr (EFE)—The Argentine Telecommunications Commission (CNT) reported today that Argentina, Brazil, Paraguay, and Uruguay, the four member countries of the Common Market of the South (Mercosur) are seeking to coordinate the transmission power and frequencies of television stations in border areas.

The CNT communique states that the rules and regulations under study will be used to control the activities of 100 open television channels that transmit on the borders of the four countries.

During a technical meeting that was held at the beginning of this week in Buenos Aires, delegates of the Mercosur member countries evaluated the creation of procedures to "coordinate the transmission of power and the high and medium frequencies."

The CNT reported that, according to Mercosur, the rules and regulations must be drafted by 30 June 1994 although "the technical details for the drafting of the final document that will be signed by the four presidents in December 1994 have yet to be approved."

The 18 April meeting was the fifth conference of Mercosur members to implement a mechanism "so that each country will have guidelines to establish, together with their neighbors, open and coded television channels."

Consulting Company Surveys Mercosur Investment

PY2804142394 Madrid EFE in Spanish 2027 GMT 26 Apr 94

[Text] Buenos Aires, 26 Apr (EFE)—It was reported today that the businesses and investments of Argentina, Brazil, Paraguay, and Uruguay—which make up Mercosur [Common Market of the South]—are concentrated in one fourth of the regional integration project's vast territory.

According to a survey conducted by the Deloitte, Touch, and Simonsen Associates company of Buenos Aires, 250 enterprises and financial companies with important businesses within Mercosur are concentrating their main activities in Brazil and Argentina.

The analysts confirmed that the "real Mercosur," the most interesting entrepreneurial area due to its economic potential, involves 110 million inhabitants with an average income of $5,000 per year.

The "real Mercosur" has a GDP of some $550 billion, compared with the $726 billion of the complete territory of the four member countries which have a total population of 198 million persons.

The area where there is the greatest business interest has the form of a stylized S with the apex in Belo Horizonte (Brazil), while its other point is in the Argentine province of Mendoza on the border with Chile.

This includes all of Uruguay, two thirds of Paraguay—on its borders with Argentina and Brazil—and the wealthier regions of Brazil and Argentina.

The centers that have a very large economic potential include Rio de Janeiro, Sao Paulo, and Curitiba in Brazil; Buenos Aires, Cordoba, and Rosario in Argentina; Montevideo in Uruguay; and Asuncion and Ciudad del Este in Paraguay.

The trade exchange (exports plus imports) among Mercosur partners has increased by 34.7 percent per year since 1991, when the agreement went into effect.

According to the study, the increase in regional trade between 1987 and 1990 amounted to 16.5 percent.

Regional trade increased from $5.403 billion in 1991 to $10.257 in 1993, a period when Argentina overcame an economic crisis and when market ups and downs, which continue, began in Brazil.

Of the 250 companies that do most of the business deals within Mercosur, 44 percent are small and medium sized companies; 33 percent are large companies—mostly Brazilian and Argentine; and the other 23 percent are multinationals.

According to a poll of the businessmen involved, manufactured products and services represent 55 percent of the business deals within Mercosur.

Some 17 percent of businessmen installed new industrial plants in another country in the heat of the integration wave.

Some 10 percent opted for the opening of commercial offices in another country, and 7 percent decided to purchase or form a partnership with a neighbor.

The manufacture of vehicles and the financial and insurance services—with 23 and 21 percent of the market respectively—account for the majority of the investment.

The manufacture of capital assets (machinery and tools), with 13 percent of the market, and the production of food and beverages, with 12 percent, must also be highlighted.

Mercosur will become a free trade zone as of 1995 when all customs barriers will be lifted. There will be a 1-year grace period for the products that are protected by Uruguay and Paraguay.

Cuba

Conference Attendees Reportedly Intimidated in Miami

FL2804143494 Havana Radio Rebelde Network in Spanish 1155 GMT 28 Apr 94

["Our Opinion" commentary by Orlando Contreras]

[Text] Cuban emigres who have just returned to Miami from Havana after attending the Nation and the Emigre Community conference are now victims of death threats and all types of pressures by the exile industry, who have made the anti-Cuban policy a lucrative business with a quasi-Mafioso structure. In one Florida county, the police had to search the home of one of those people who had received repeated death threats, because of the possibility of criminal activity.

Why have these criminal group leaders assumed such an aggressive attitude? Why do they violate U.S. laws and try to revamp them in Miami and use forms of extortion like those used by the Chicago Mafia during the 1930's? The answer is very simple: Repeated myths and lies are being weakened in a large sector of the emigre community, which is not beneficial to the Mafia heads, from the financial standpoint, or to the political tyranny exercised by personalities from the U.S. business and political sector.

This cannot be interpreted to mean that the Cuban emigre community in Miami is undergoing a radical change in its political and ideological views. That was clear at the meeting here in Havana. To put it plainly, the sector of Cuban emigration to which I am referring is that group of persons who are the victims of the aggression. It is they who are making another evaluation of the Cuban reality—their own evaluation, within their own political and ideological views—and that does not fit well with the totalitarian and strong-arm [matonezca] version of the traffickers in hatred and anti-Cuban sentiments.

It is curious, but not coincidental, how in this crusade of deeply rooted antagonism the most vile figures gang up with those who pose as intellectuals in an attempt to dominate other sectors of the emigre community. I mention no names, but everyone knows whom I refer to. I am talking about those who organize anti-Cuban congresses throughout the world, visit governments, travel nonstop, all without revealing who is financing their incessant movement.

Zambian President Chiluba Visits Sugar Mill

FL2804232494 Havana Radio Reloj Network in Spanish 1932 GMT 28 Apr 94

[Text] On 28 April, Zambian President Federick Chiluba visited the Mario Munoz Sugar Mill Complex in Los Arabos Municipality, Matanzas, where he was greeted by workers and officials. President Chiluba was accompanied by Yadira Garcia, Politburo member and first secretary of the Communist Party of Cuba in Matanzas. President Chiluba was greeted by Osvaldo Gutierrez, president of the provincial People's Government. Gutierrez pointed out in his welcoming address that the sugar industry is experiencing slight growth in Matanzas, adding that the 1994 citrus harvest is estimated at 250,000 tons.

President Chiluba, who showed interest in diverse aspects of production at the mill, concluded his trip with a visit to the mill's museum where he was given a little sack of sugar produced at the mill.

Interviewed After Sugar Mill Visit

FL2904021394 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 29 Apr 94

[Excerpt] [passage omitted] Moments before he concluded his visit to the Mario Munoz complex, Zambian President Chiluba made statements for this newscast:

[Begin Chiluba recording, in English with passage-by-passage translation into Spanish] I am extremely impressed, and there is a lot we can learn from the great people of Cuba, the spirit of self-reliance that ensures the country's development and readiness on the basis of the commitment and willingness of its people.

The world economy is not always favorable. [passage indistinct] at times is hard to obtain. Therefore, the spirit of depending on ourselves, our own efforts, our own materials, our own resources—human, material, and financial—is the real background and foundation to any successful development activity.

So this is the spirit from which we have to borrow here. We would also like to strengthen and encourage existing relations and areas of cooperation. We came here to borrow quite a lot of ideas. You have been successful in many fields, notwithstanding, of course, the fact that you are going through a very special period. This, however, further strengthens the spirit of the Revolution.

Thus, forward we shall go. [end recording]

Commentary Views British Oil Exploration

FL2804153694 Havana Radio Rebelde Network in Spanish 1155 GMT 28 Apr 94

[Commentary by Juan Buria]

[Text] Many economists have pointed out that before 1959 Cuba had a strong economic dependency on the United States. Recently Cuba also had strong ties with countries of the socialist bloc, ties which were abruptly broken. That, together with the U.S. blockade, brought our country to the situation of the special period.

Nevertheless, today, in the midst of these difficulties, Cuba is making great efforts to diversify its commercial

ties with the world. In this connection, just yesterday, British Ambassador Leycester Coltman announced the possibility that another British firm may come to Cuba to work in oil exploration. At this moment, important firms from France, Great Britain, Canada, and Sweden are working in the oil exploration sphere in Cuba. It is a process whereby we are redirecting and diversifying our trade with the whole world.

In Great Britain's case, Ambassador Coltman pointed out that, years ago, Cuba's exports were up to $50 million. In 1992, that figure dwindled to $43 million and in 1993 to $21 million. However, Ambassador Coltman noted that the first quarter of 1994 marked a certain recovery. In other words, it is not only in the [word indistinct], but other activities as well.

Another thing I wanted to point out was about trade with Latin America. Economist Osvaldo Martinez, president of the Commission on Economic Affairs of the National Assembly of the People's Government, recently said that in 1990, 83 percent of our exports and 87 percent of our imports were concentrated in Europe. Back then, Latin America represented only 7 percent of exports and 7 percent of imports. In 1993, our exports to Latin America grew from 7 to 14 percent, and our imports from 7 to 47 percent.

This is additional proof, along with Ambassador Coltman's statements and other elements mentioned by the press and our leaders, that Cuba is making efforts, in midst of its economic difficulties, to diversify its ties with the entire world.

Castrol Executives Discuss Expansion Prospects

FL2304020094 Havana Cuba Vision Network in Spanish 2220 GMT 22 Apr 94

[Text] The possibilities in Cuba for expanding production of high-quality lubricants under the Castrol name are on their way to becoming a reality, according to Castrol executives visiting Cuba. The company, Castrol-Cuba, today introduced two guests of honor: Jim Alexander, director of the main office in London; and Michael Viejo, financial manager of (Abeille-Life), a branch of Castrol- Burmah. Both executives expounded on prospects for producing greater amounts of lubricants under the Castrol name.

Mr. Alexander has met, these past few days, with various representatives of Cuban industry and government, and although there were no specific contracts, there is agreement regarding expansion of the relations that Castrol has maintained with Cuba for over 30 years and that reached a zenith two years ago when Cuba and Castrol polled their capital and formed the joint enterprise [empresa mixta] Castrol-Cuba S.A.

[Begin Jim Alexander recording, in English, with superimposed translation into Spanish] I think that through further joint efforts, we will be able to ensure that there will be many more advances, greater development, in Cuban industry. [end recording]

Jim Alexander's visit shows the commitment of the firm toward its company in Havana, which means that the power of the world's most important lubricant company is at Cuba's service.

Mr. Viejo, who is visiting to participate in the Isla chess tournament, sponsored by Castrol-Cuba, which is under way here, is taking advantage of the visit to learn about the banking world, oil, industry, and insurance. This executive is confident that he will be able to support projects and, in short, expand Castrol-Cuba's relations.

Colombian Agriculture Minister Begins Visit

FL2804000694 Havana Radio Rebelde Network in Spanish 2300 GMT 27 Apr 94

[Text] Colombian Agriculture and Livestock Minister Jose Antonio Ocampo arrived today in Havana on an official visit at the invitation of his Cuban counterpart, Alfredo Jordan Morales, who welcomed him.

In remarks to the NATIONAL NEWS AGENCY, Ocampo said that he is coming to establish cooperation agreements between the two ministries and cooperation in the field of biotechnology.

He also expressed the interest of Colombian companies in establishing trade and investment relations in Cuba, especially in rice and poultry farming.

Holguin Farm Chosen for French Cooperation Project

FL2704232194 Havana Cuba Vision Network in Spanish 2220 GMT 27 Apr 94

[Text] The Territorial Station for Agricultural Research [estacion territorial de investigaciones agropecuarias] in Holguin has been chosen to develop an intergovernmental cooperation project between Cuba and France which will help implement the results of science and technology in our current agricultural production conditions.

Technology has been used in other Latin American countries, but only with peasant owners of small farms. In Cuba, with an integral production system, it will be easier to evaluate production and to make it more efficient from the economic point of the companies, of the Basic Cooperative Production Units, and of credits and services.

The French Government will finance the project and already has assigned more than $250,000, which will be invested in equipment, fuel, transport, and other material resources.

U.S. Government Authorizes Telephone Service

FL2604164094 Havana Radio Rebelde Network in Spanish 0900 GMT 26 Apr 94

[Text] The U.S. Government has authorized the company IDB Worldcom to provide direct telex and telephone service between Cuba and the United States. (Mike Tower), the company's vice president, said that Havana will be paid its share of this commercial transaction, as authorized by Washington.

Canadian Union Leaders Make Donations

FL2704205394 Havana Radio Reloj Network in Spanish 1930 GMT 27 Apr 94

[Text] Canadian union leaders who are visiting Cuba have handed over a donation of clothes and work tools to the Hector Molinas Sugar Agroindustrial Complex in the municipality of San Nicolas, Havana Province.

The Hector Molinas workers union board expressed appreciation for the gesture of the Canadian unionists and explained to the visitors the characteristics of this factory and the sugar production prospects in this municipality.

Labor Activities Suspended 2 May for Holiday

FL2604210394 Havana Radio Reloj Network in Spanish 1930 GMT 26 Apr 94

[Text] According to Article 86 of the Labor Code, the Ministry of Labor and Social Security has decided to transfer the 1 May holiday, which falls on a Sunday, to Monday, 2 May.

The suspension of labor activities on Monday will be in effect except for those that relate to harvest and other urgent agricultural and livestock production activities, continuous-production industries, and urgencies in the the port-transport-internal economy network.

Likewise not included in this labor holiday are services related to transport, hospitals, funerals, pharmacies, on-duty gasoline stations, gardens, recreation centers, radio and television broadcasting, tourist attractions, and collection and distribution of milk.

The Ministry of Domestic Trade will establish the opening and closing hours for the domestic trade system.

May Day Activities Attract Foreign Visitors

FL2904003094 Havana Radio Rebelde Network in Spanish 2300 GMT 28 Apr 94

[Text] Delegations from Italy, Venezuela, Mexico, Puerto Rico, Japan, Cyprus, and Greece have arrived in Cuba to participate in the May Day ceremonies. There are over 250 invited guests already in Cuba; they are currently visiting Havana work centers and participating in May Day ceremonies at unions and workplaces. The international relations department of the Cuban Workers Federation added that the visitors represent over 15 countries and 34 unions and organizations of various leanings.

The arrival in Cuba of union delegates from the United States, Pakistan, and the Vasque region is expected tonight. They will participate in the May Day ceremonies scheduled for 30 April in Matanzas, Pinar del Rio, Havana Province, and four Havana municipalities, as well as in the National Assembly of the People's Government session being held in honor of May Day.

Yadira Garcia Reviews 1 May Matanzas Plans

FL2704155694 Havana Radio Progreso Network in Spanish 1100 GMT 27 Apr 94

[Report by Matanzas Province correspondent Candido Dominguez—live or recorded]

[Text] Approximately 70,000 people here will participate in the parade commemorating international workers day, which will take place next Saturday [30 April] at 0900 on the Matanzas Bay viaduct. The spaciousness of this new avenue that skirts the bay, along with the care with which the preparations are being made, portend a special splendor to this massive gesture, despite the fact that the inevitable austerity of the current moment prevents our using certain equipment and other material resources.

Yadira Garcia, a member of the Politburo and first secretary of the Communist Party of Cuba in Matanzas, said that the people of Matanzas have the special responsibility this year of expressing the joy, militancy, and steadfastness not only of the people of the province, but of all the people throughout the nation. Making the closing speech today [date not specified] at a meeting to review preparations for the 1 May activity, Garcia recalled that this year there will be parades only in Matanzas and Pinar del Rio. She expressed her confidence that the parade to be held in the City of Matanzas will be a success, and announced that over 100 foreign guests will attend.

This meeting, held at the Atenas movie theater, was attended by administrative and union representatives from all sectors, the UJC [Union of Young Communists], and the mass organizations, and was characterized by great enthusiasm, expressed in exchanges of emulative challenges between unions.

Workers Discuss Power Plant Maintenance

FL2804153294 Havana Radio Progreso Network in Spanish 1100 GMT 28 Apr 94

[Report by Pedro Garcia]

[Text] In the current situation of power generation, efficiency in maintaining thermoelectric plants is essential. Therefore, it is appropriate to stress the efforts of workers at the Santa Cruz del Norte power plant. Victor

Veiga, head mechanic, will explain the work they are doing and will refer also to past experience and future prospects.

[Begin recording] [Veiga] Before beginning the maintenance work, we held a meeting of all the workers—72 in all, counting mechanics, operators, electricians, and other support workers—and we agreed to work longer shifts in order to have the engine ready by Sunday and not by Monday, so as to guarantee the peak consumption time on 1 May. We hope to complete our work by then. This is the main objective of our repairs.

So far, the maintenance work has not been fully successful because we have had problems with the water supply from the Santa Cruz del Norte aqueduct. Nevertheless, we have overcome other difficult situations and we are trying to overcome these problems. We were to do the cracking [craqueo] in boiler No. 1 to eliminate dirt and smut from the boiler. We must first remove the dirt to make the cleaning job easier. We were unable to do so because we did not have enough water. The pipes had experienced some damage and we needed more water.

[Garcia] Veiga also explained that they are already beginning to clean the water pipe system.

[Veiga] We have located all the problems and are now in the process of washing the [words indistinct] and superheaters so as to begin the repair work and to finish it by Saturday night, at the latest, so the engine will be ready for Sunday.

We believe that if the water supply is normalized; we should have no problem in resuming full operation on Sunday to meet peak consumption hours. But if we have the same problem, if the water pressure is not increased and we are short of water, we cannot guarantee operation either on Sunday or on Monday.

This plant has three units: No. 1, which is now under light maintenance but is operational; No. 2, under full maintenance that is expected to conclude in approximately 110 or 115 days; and No. 3, which is in a stage of investment. We hope to begin the first stages of operation by the end of the year.

We also have boiler No. 4 in the back yard; but after the suspension of trade and commercial relations with the Soviet Union, we decided that we could fix up only to unit No. 3. As the minister [not further specified] has explained, this year we intend to put at least up to unit No. 3 into operation.

[Garcia] Some of the workers who are really busy with these repair activities will also give their impressions.

[First worker] I am Gilberto Azardena and I am in charge of maintenance here. I am the head of the maintenance team, in charge of repairing turbogenerator No. 1. Right now we are in the process of repairing a number of failures in the engine.

[Second worker] My name is Jose Luis Vargas Ramirez and I am trying to recover a valve that was in poor condition. So far, we are facing the problems on a rather average level—not too well, I would say.

[Garcia] But are you resolving them?

[Second worker] Yes, of course. We are making progress.

[Garcia] Maintenance on unit No. 1 of the Santa Cruz plant is one of many being carried out in the country, and the efficiency and expeditiousness with which this work is done depends to a great extent on the possibilities for improving the current capacity of the national energy system. [end recording]

Journalists Discuss Political, Social Stability

FL2604235994

[Editorial Report] Havana Radio Rebelde Network in Spanish at 1600 GMT on 26 April carries its "Straight Talk" program with host Osvaldo Rodriguez from JUVENTUD REBELDE, and guest Luis Sexto from BOHEMIA magazine, on part two of: What Country Do We Live In Today?

Rodriguez begins the discussion by saying that politically and socially, Cuba is one of a kind: "We have a steep economic crisis, yet we maintain political stability; and why not say it—social stability as well. Cuba is the only such case."

Sexto points out that Cuba's political present cannot be judged without considering its past. He says: "Never have I seen in any other country such a solid bond between past and present; between history and history-in-the-making." He goes on to say that: "Despite shortages that are in some aspects acute, but not tragic; despite deficits; despite sacrifices; and despite the postponement of legitimate individual and social dreams, the Cuban people are aware that there is no other political system or political idea that would guarantee what they themselves have lived during the past 35 years.

"This is part of the reasoning, even unconsciously, of any Cuban today. What alternative does Cuba have today if not to remain bonded to the political idea of the Revolution? What other options do we have? The option proposed by the people in Miami who support annexation? The most progressive of the Miami annexation supporters are proposing private property and a market economy." Rodriguez replies: "I recently read in the Miami NUEVO HERALD an article going beyond that, proposing for 1994, U.S. annexation as a solution to our problems." Sexto notes that some say that socialism has failed in Cuba, adding: "That is something that remains to be seen. What completely failed 35 years ago in Cuba was capitalism."

Rodriguez stresses that history is a factor in analyzing attitudes Cubans assume today in contending with the situation. He points out that despite the shortages, the situation in Cuba is far removed from that of many Latin

American countries because Cuba is trying to maintain an equilibrium in terms of social services.

Rodriguez and Sexto discuss the importance of the ration booklet in Cuba's present situation. Rodriguez points out: "I believe the ration booklet is an element of that equilibrium you mentioned." Sexto responds: "The ration book is precisely an element that favors distribution equilibrium. I am not an enemy of the ration book, but I believe that getting rid of it someday will benefit us all. I have had that opinion for years. But right now, the ration booklet guarantees minimal distribution and equilibrium in distribution." Rodriguez disagrees with Sexto's point of view: "I do not agree with you. I believe the ration booklet must be maintained because it is what guarantees goods for people with lower incomes."

Sexto says that in Cuba they are working hard to cover basic needs. He adds: "We are trying to avoid anyone's being abandoned or anyone's literal starving to death. I do not believe that anyone in this country is literally starving to death because in one way or another, they get what they need. It has a lot to do with our policies. We have a policy that favors the services and views of social justice and protection."

In discussing these policies of social justice, Rodriguez says: "We have only one option: To stay with the Revolution and sacrifice ourselves to maintain our independence and dignity. Many of our leaders, including Cuban Foreign Minister Roberto Robaina during his trips abroad, have said that anything can be discussed here but our independence or the dignity of the Cuban people."

Sexto adds: "If we look at the trend and the fact that the country continues to survive after a three-year crisis, that it remains standing with determination to overcome the crisis, this means that this country, the Revolution, the government, and the social regime that supports this country have the support of the majority of the people. That is irrefutable proof. The fact that we remain standing is irrefutable proof that the majority of Cubans support the Cuban Revolution. The fact that the majority of people support the Cuban Revolution does not mean that there is no irritation. I believe there is a certain level of irritation in the streets.

I believe that everyone can take the shortages, the deficit, but not everyone can take these challenges with a rational, serene, and stable attitude. I believe there are times when the irritation is produced because—and I believe you said this during a recent program—I get home, for example, and there is no power. I might get upset because maybe I wanted to read a good book or write an article for the magazine. I am not just talking about myself; I am referring to any citizen. This does not mean that deep down I do not understand the causes for the outages. I say to myself that this is what I must go through so we can overcome this situation, because the other option is not in my best interest. The other option is capitalism, which is offered to us by some in Miami, and by some who leave us, to back them up."

Rodriguez remarks: "With capitalism, everyone knows that some will benefit while the majority will drown."

Sexto says he was once asked what capitalism is. He answered: "The underground economy is the capitalist economy." Rodriguez adds that capitalism's equilibrium is established by the law of the market: "A market economy is the underground economy, where the price is determined by the supply and demand, regardless of who can or cannot buy those goods."

Rodriguez says: "We are living in a country facing a difficult economic crisis, a country that despite its economic crisis, lives in social equilibrium and political stability." He concludes: "I will define the country we live in. We live in a country that struggles to be better, to overcome, and to defend itself." Straight Talk ends at 1615 GMT.

Mexican Granma Expedition Member Buried in Havana

FL2604145594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 26 Apr 94

[Text] Since it was his wish to be buried in Cuba, outstanding revolutionary Alfonso Guillen Zelaya was buried at the Colon Cemetery today. Commander of the Revolution Juan Almeida Bosque, along with relatives, friends and comrades-in-arms, headed the procession, and funeral.

Alfonso Guillen Zelaya's rich past was recalled today by his comrade, Gabriel Gil Alfonso. Guillen Zelaya was the youngest member of the Granma expedition. He was arrested after his active participation in the Alegria de Pio affair. To the prosecutor who tried him, Guillen said: One need not be Cuban to fight for liberty, for all men of justice fight for liberty wherever it may be offended.

Because of his firmness, in 1957 he was deported to Mexico where, directed by the 26 July movement, which was in exile, he carried out important missions. With the triumph of the Revolution, Guillen returned to Cuba, where he held different administrative positions. He was vice president of the Cuban Institute of Friendship with Peoples for 10 years.

As an education ministry official, he attended the Latin American and Caribbean Congress of Teachers in Mexico, where he was surprised by death at the age of 57. Guillen received numerous decorations and distinctions, among them the award for being one of the founders of the Communist Party of Cuba.

Medical Certificate Statistics Discussed

94P20684B

[Editorial Report] Havana TRABAJADORES in Spanish of 11 April 1994 on pages 4 and 5 reports that

approximately 4.8 million medical certificates were issued in 1993. This represents an estimated 60.2 million missed workdays. The article reports that while this represents a reduction in comparison to 1992 figures, the economic costs rose from 181.8 million pesos to 192 million pesos. The State Committee for Labor and Social Security (CETSS) explains the discrepancy by noting that more days off were prescribed per certificate due to the optical neuritis epidemic, which affected 58,000 people, a conjunctivitis epidemic, and "other ailments." However, the article says, the neuritis epidemic accounts for only 3.31 percent of the more than 60 million workdays lost. The tourism industry has a lower rate of absenteeism and issues fewer medical certificates even though the workers "are exposed to the same viruses, the same epidemics, and work hard, although not as hard as construction workers or cane cutters," the article explains.

Dr. Ramon Crespo Almeira, secretary general of the health workers union, said that, while most doctors are conscientious in issuing certificates, measures have been taken against those who have not followed the rules. Crespo also explained that it is up to administrators in the work places to verify certificates and to investigate other causes of absenteeism instead of "blaming the doctors."

Tampering With Mail Reported

94P20684A

[Editorial Report] Havana TRABAJADORES in Spanish of 11 April 1994 on page 2 reports that, at a meeting of the National Committee of the Communications Workers Union, members discussed crimes committed by workers and problems affecting the telephone sector related to transportation and fuel shortages. Agustin Lopez, secretary general of the union, acknowledged reports of tampering with international mail and deliveries of newspapers to the provinces. Lopez attributed the crimes to inattention by administrators and the unions. General Colas Sanchez stated: "It is essential that all honest communications workers combat the criminal acts taking place in their sector."

Haiti

Raboteau Remains Deserted; More Bodies Surface

FL2804225394 Port-au-Prince Signal FM Radio in French 1030 GMT 28 Apr 94

[Text] Six days after the civilian-military operation in Raboteau, the working class neighborhood of Gonaives is still deserted. According to the Haitian Press Agency correspondent in Upper Artibonite, most of the youths seen at the time ran away when strangers came. According to rare testimonies collected on the spot, the bodies of those killed on 22 April while trying to escape by sea continue to surface, increasing the total number of dead, which had been assessed at over 23 on 25 April. According to the same witnesses, the body of a well known local soccer player is reputed to have been among those buried by the military.

By the way, according to the Interpress Agency, Bouter Mtayer, brother of Arnault Mtayer who was also known as "The Cuban," and whose pursuit by the Army was the origin of the slaughter, was spotted by the military in the area of Sedren, 5 km from Gonaives, and has been reported missing since then.

Observers note that apart from a communique issued by the resigning government of Prime Minister Robert Malval, condemning the Raboteau slaughter, none of the political class—except for Aristide's spokesman—has reacted to this situation so far.

In its communique published on the night of 26 April, the Army talked about a police operation carried out in Raboteau to find the individuals who authored reprehensible actions committed throughout the country, which according to the Haitian Armed Forces is a destabilization plan conceived in Washington by the legitimate Haitian authorities. President Aristide's spokesman has denied this.

Army Blames 'Armed Individuals'

FL2804181394 Port-au-Prince Signal FM Radio in French 1030 GMT 28 Apr 94

[Text] The Haitian Army high command blamed the 22 April incident in Gonaives on armed individuals wanting to destabilize the state. The Army has not issued a final toll, but allegedly 28 deaths occurred, according to the latest count.

The communique signed by the Secretariat of the General Staff also points out that the military operation took place on the night of 24-25 April, not at dawn on 22 April as reported in the accounts of area residents. They explain that the police operations took place in Raboteau, a Gonaives suburb, to thwart the action of armed individuals who, according to bits of intelligence, were preparing to sabotage public institutions and attack the Artibonite Military Department Headquarters, the premises of the departmental military command.

According to the Haitian high command, the Gonaives incident and other recent incidents are the results of the steps of the plan conceived during the meeting in Washington on 21 November 1993 in which some ministers of the resigning government participated.

The military institution has renewed its determination to guarantee order and public peace and its firm intent to stop the actions of those who are devoid of the sense of state, institutions, and harmony that must exist within the Haitian family, the text adds.

The incident allegedly caused 28 deaths, according to the latest testimony collected by AFP. Most of the victims, over 15, were reached as they were trying to escape by

sea. All but two were buried on the spot. As of now, their identities are unknown, they explain.

An important exodus occurred after the tragedy. Most of the frightened inhabitants fled the neighborhood, still under high military surveillance, to take refuge in other regions of the city or country. According to the local Justice and Peace Commission of the [Catholic] Church, soldiers shot at residents of the area without warning. The correspondent of a private radio station reported that shots were fired before the arrival of the military.

Army Claims To Control Situation in Le Borgne

FL2804183794 Port-au-Prince Radio Metropole in French 1045 GMT 28 Apr 94

[Text] Today, we are able to give you information offered by the head of the North Military Department, notably for the city of Cap-Haitian, to our correspondent on the spot. The latest news regarding the situation in Le Borgne is that the Army is allegedly in control of the situation, according to the report given to our correspondent in Cap-Haitian by the military head of the city.

Military units sent to the spot are allegedly in control of the situation after chasing away a group of armed rebels, supporters of President Aristide, according to statements by the military commander of the North Department. No official report has been provided, however, since the confrontations between the military and the group of armed civilians led by the North Department delegate, according to information provided by the North Military Command. Our correspondent, Jean-Claude Larousse, has details:

[Begin Larousse recording, in Creole] In Le Borgne, Boucan Michel, the Haitian Army is in control of the situation after several days of lavalas insurrection led by Marc Lamour, former member of the Constituent Assembly in 1987, vice delegate under the overthrown Aristide government. We learned from military sources that the Army seized stocks of weapons, explosives, and ammunition which were at the disposal of the terrorists, according to the commander of the North Military Department, Lieutenant Colonel Claudel Josaphat. The same sources also say that many of the rebels were killed; they do not specify the number nor mention whether the leader of the group, Marc Lamour, was alive, under arrest, or in hiding during an Army raid early last week.

Another source, however, said the only casualty on the military side was a soldier who was shot in the foot. According to the same source from the North Military Department, the weapons that the terrorists had were guns, 40-mm grenade launchers, AR-15 antitank rifles [as heard], and 9-mm pistols. According to information circulating in Le Borgne, a lot of damage was done after the raid.

Meanwhile, we learned that there were many arrests in Le Borgne, Port Magot, and even in Limbe, including the Le Borgne mayor elected 16 December. According to military sources, he was charged with plotting against state security. It is very difficult for a journalist, however, to find and verify information on the development of the situation in Le Borgne. Meanwhile, according to Lt. Col. Claudel Josaphat, the military raid continues.

Let us point out that the incident began, according to military authorities, on the evening of 7-8 April when two of Marc Lamour's men attacked the outpost of Petit-Bourg in Le Borgne, a region about 50 km west of Cap-Haitian. [end recording]

Aristide Spokesman Reacts to Army Communique

FL2804212594 Port-au-Prince Signal FM Radio in French 1030 GMT 28 Apr 94

[Text] Concerning the accusation brought by the military command, the reaction of President Aristide's spokesman was not long in coming. Let us listen to Jean-Claude Martineau.

[Begin Martineau recording, in Creole] They have spoken of a certain meeting held in a Washington hotel. It was a public meeting during which the president discussed how to get out of the crisis with a great number of Haitians. Contrary to statements by the men who pretend otherwise, I do not believe any plans stemming from this meeting are being carried out.

First, I would like to say that these men have been killing people for years. So, such a slight pretext will not relieve the military—who are slaughtering people left and right, then laying their bodies in state [as heard] until pigs eat them in the streets—of their responsibilities. [words indistinct] as if they are defending themselves against the wishes of an entire nation and the entire world. This is something. It is drug dealers' rhetoric. [end recording]

That was President Aristide's spokesman Jean-Claude Martineau.

Chamber President Switches to Sansaricq Camp

FL2804220394 Port-au-Prince Radio Metropole in French 1600 GMT 28 Apr 94

[Excerpt] Frantz Robert Monde, president of the Chamber of Deputies, and Senator Sansaricq, the president of the unofficial Senate office, met on 27 April to coordinate viewpoints on a means of resolving the crisis, particularly of filling the power vacuum. For Sen. Sansaricq, this constitutes official recognition of the office over which he presides in the Senate. Edner Jean filed a report:

[Begin recording] [Jean] This meeting occurred fewer than 24 hours after President Monde's shattering statements, which began his turn to the right. This spectacular reversal is about to take place because of extended consultations with the office Sen. Bernard Sansaricq leads.

A significant fact: The talk took place in the office of President Monde, the same place where, 15 days earlier, he had assured Firmin Jean-Louis, the president of the National Assembly, of his firm support, which he stated on this occasion in the presence of journalists. With this gesture, Frantz Robert Monde wished to prompt the Senate president to examine the parliamentary plan submitted to him as a resolution by the deputies. The latest statements and initiatives by Firmin Jean-Louis had made Monde think he had other political motives. The president of the Chamber of Deputies therefore decided to switch to the other camp, with a wink at Sen. Bernard Sansaricq.

[Sansaricq, in Creole] President Monde has decided to work with the Senate over which I am presiding. He finally recognizes that this Senate is functional and has been constitutionally elected. It is neither an acclaimed office nor an enigma, as with what happened on 10 August in the presence of the international community when they applauded and acclaimed a president without going through constitutional norms, without the president being elected according to the Senate's internal rules. That was a mystery. The page is now turned and must be turned completely. I have been awaiting this moment. It has arrived and I think we must now work quickly to endow the country with an executive because we must really begin considering the country's suffering and pain.

[Jean] Bernard Sansaricq paid tribute to President Monde for his flexibility and determination in seeking a solution to the crisis, even though, he said, we have not always approved of his approach. Despite some differences in their positions, the two men have many points in common: Frantz Robert Monde and Bernard Sansaricq are both legislators from the southern region who have always been critical of President Aristide's seven months in office. In the face of what they call interference by the international community, they have always been uncompromising in their opposition and nationalism. Very often in the past, both the senator and the deputy have made the same speech using more or less the same words.

[Sansaricq] The international community has its work and we have our work. The best answer we can give the international community is that we will install a serious and honest government with capable men. That is the answer they need. Once they have that answer and realize that we are determined to do something serious for the country, that the prime minister and the ministers who will be chosen will be competent, honest, and capable of running this nation, they will know it is the best answer. Dealing with them right now: Whether we greet Bouki [Haitian folk character] or not, he will eat us up anyway. I would therefore rather die standing up than crouched on my knees.

[Jean] According to Turneb Delpe, there is nothing new in President Monde's position. The senator from the constitutionalist bloc explains that the president of the Chamber of Deputies has always expressed his preference for Article 149 of the Constitution. Sen. Delpe would have been surprised if he had said the opposite. [passage omitted] [end recording]

PRI Accepts Debate, Sets Conditions

PA2904050294 Mexico City LA JORNADA in Spanish 28 Apr 94 p 11

["Text" of communique issued by the Institutional Revolutionary Party Central Executive Committee; place and date not given—first two paragraphs are LA JORNADA introduction]

[Text] The Central Executive Committee [CEN] of the Institutional Revolutionary Party [PRI] has announced that Ernesto Zedillo Ponce de Leon "has decided to postpone campaign events and activities planned for the first days of the week, due to the importance that he gives the idea of debating his ideas and political program."

In a communique, the PRI leadership reiterates that Zedillo is willing to debate over radio and television with Diego Fernandez de Cevallos, presidential candidate of the National Action Party [PAN] on Tuesday 3 May and rules out the proposal by Cuauhtemoc Cardenas, the presidential candidate of the Party of the Democratic Revolution [PRD] to hold the debates at a later date. Herewith follows the complete text:

"The PRI CEN reports the following regarding the invitation made by presidential candidate Ernesto Zedillo to the PAN and PRD candidates to debate as soon as possible:
"1. In a message published on 24 April, Ernesto Zedillo expressed his confidence that 'throughout the campaign there will be opportunities to compare our positions with the candidates of all parties.'
"2. On 25 April, Engineer Cardenas, in a letter addressed to our candidate Ernesto Zedillo, without clearly agreeing to take part in the debate, said: 'We plan to hold several debates, among which you and I could hold one more on our own, in view of the objective fact that this campaign's confrontation really represents what both of us believe in and is what voters will have to decide upon.'

"That same day, our candidate clearly replied: 'I do not agree with your plan to disqualify other candidacies registered within the law, nor can I agree with your attempt to rule out other parties that represent ideological pluralism and diversity in the country's political life. I reiterate to you that in my invitation I pointed out my confidence that there will be opportunities to compare positions with the candidates of all the parties throughout the campaign.

"3. In his invitation, Ernesto Zedillo proposed clear conditions: That the debate be broadcast live on television and over the radio and managed in an unquestionably impartial, honest, and equal format.
"4. PAN Presidential Candidate Diego Fernandez de Cevallos has accepted the invitation. He suggested the event take place on 3 May.
"5. Candidate Ernesto Zedillo has accepted this proposal for 3 May.
"6. In light of the above, our candidate has decided to postpone his activities and campaign events for the first few days of the week. He did so because of the significance he has attached to debating his ideas and political program before the nation.
"7. He also accepted Diego Fernandez de Cevallos's suggestion that the event take place at the National Chamber of Television and Radio Industries. This means that the Chamber will provide the necessary technical support to guarantee that all stations who want to pick up the signal can do so and provide whatever the press may need to cover the event.
"8. Cardenas has already advised the media that he accepts the debate, but at a much later date.
"9. In an effort to ensure unquestionable integrity and equality, our party will present a format proposal for the debate tomorrow. This format will provide time for opening and closing remarks by each candidate and the same amount of time for each contender to present his ideas. The proposal will also include a moderator whose absolute integrity and renowned impartiality qualify him or her to direct the debate and ensure that all candidates stick to the agreed times and scope.
"10. The three parties will discuss their points of view and agree upon all these issues, pursuant to the organization and completion of the debate, in the shortest possible time.
"11. The PRI and its presidential candidate are aware that the direct exchange of ideas is an enriching element within our country's democratic process. It will be an opportunity for the Mexicans to see where they really and truly agree and disagree with each candidate to the Presidency of the republic."

Zedillo Letter on Presidential Debate

PA2804233794 Mexico City LA JORNADA in Spanish 26 Apr 94 p 10

[All quotation marks as published]

[Text] Yesterday, PRI [Institutional Revolutionary Party] presidential candidate Ernesto Zedillo Ponce de Leon said 3 May "appears to me to be a very good date" to hold a debate with PAN [National Action Party] presidential candidate Diego Fernandez de Cevallos.

Meanwhile, PRI leader Fernando Ortiz Arana reported the date had been accepted. Zedillo also said "it is a very astute proposal" for the debate to take place at the National Chamber of Radio and Television Industry (CNIRT), indicating he was "waiting for additional details." Former PRI candidate Luis Donaldo Colosio had said the appropriate location for this type of event should be the Federal Electoral Institute to distance the event from special interests.

In the evening, the PRI candidate sent a letter to Cuauhtemoc Cardenas [presidential candidate for the Party of the Democratic Revolution, PRD], in which he requests "a prompt reply" on the date and conditions for the debate, while he indicated that other candidates

should not be disqualified from the debate. Zedillo said he does not agree "with efforts to discount other parties that represent ideological plurality and diversity in the nation's political life."

In his first reference to the issue, the PRI candidate replied as follows from his party's headquarters: I am waiting for the candidates' reply. I will respectfully and attentively consider everything they have to say. Today, I read in the press that Fernandez de Cevallos had made two specific proposals to establish the date (3 May). In my opinion, this is very good.

He added: "Another proposal is for the CNIRT to coordinate and organize the debate. This also is a very astute proposal. I will be waiting for additional details."

Zedillo did not refer to any contact with Cuauhtemoc Cardenas, but Fernando Ortiz Arana said he had accepted. Ortiz Arana said: "There was a reply from the PAN and PRD candidates accepting our candidate Erneswto Zedillo's invitation to hold a debate. The important issue is that soon we will be presenting our proposals, program, and actions in a public debate, thereby keeping our commitment to the community."

He added: "The two parties have accepted the proposals, and PAN candidate Diego Fernandez de Cevallos has proposed the date of 3 May for the debate. Our candidate and the party have accepted this, and all PRI members will be with Ernesto Zedillo at the debate he has convened."

Ortiz Arana insisted that Zedillo "acknowledges the principle of equality among all candidates and hopes there will be an opportunity to debate our positions with the other candidates from all of the political parties throughout the campaign."

The following is the text of a letter sent to the PRD candidate:

"Engineer Cardenas:

"I appreciate your reply to the invitation sent to you yesterday by Diego Fernandez de Ceballos, PAN presidential candidate, to hold as soon as possible a debate to be broadcast by radio and television.

"I am pleased to read that you have been willing to debate since November. Nevertheless, it is good to remember that it was Luis Donaldo Colosio, PRI presidential candidate, who for the first time openly and directly proposed a debate.

"Allow me to stress that the terms of my invitation are perfectly clear. I have proposed a debate between Fernandez de Ceballos, you, and me on our ideas and our political platforms. I have proposed a live and uninterrupted debate to be broadcast on radio and television within a framework of unquestionable impartiality, transparency, and equality.

"I propose we use only one single broadcast that can be received and transmitted by all television and radio stations that want to carry the debate, without favoring any specific company. In addition, conditions should be provided to allow representatives of the print media to cover the debate to their complete satisfaction.

"I believe that for the debate to be a fair political exercise that will benefit the people, the participants should be given equal time to express their ideas. Likewise, we should be given the opportunity to comment on the other candidates' responses and to issue opening and final statements. A moderator of the utmost integrity and impartiality would also help the candidates adjust to the time allotted.

"The specific terms of my invitation should correspond to a definite response. Instead, I read in your letter the following:

"It would be important, because of this type of event's widespread dissemination and because of the public's undeniable interest in such things, to consider holding several other debates. One or two of these debates could even be between just you and me because, objectively speaking, it is our proposals and what we represent that comprise the major points of contention in this campaign, and the citizens will have to decide between these two sides when casting their votes.

"In this regard, I believe it will be the citizens, by way of the free exercise of their rights, who will decide whether "objectively speaking, our proposals and what we represent is what truly is being contested in this campaign and from which the citizens will have to decide when casting their votes.

"I do not agree with your attempts to disqualify other legally registered candidates and I cannot agree with your attempts to discount other political parties that represent the ideological plurality and diversity of the nation's political life. Therefore, I reiterate that in my invitation I indicated my trust that there will opportunities to debate issues with all candidates from all parties throughout the campaign.

"In another turn of events, the above-mentioned paragraph of your letter does not indicate whether you have accepted my invitation, as, by the way, Fernandez Cevallos already has. Moreover, he proposed that the debate take place on 3 May and that it be organized by the CNIRT. In turn, I have accepted both proposals."

"Hoping to receive a prompt reply from you to my invitation made yesterday, I remain, very truly yours,"

[Signed] Ernesto Zedillo Ponce de Leon

Foreign Secretariat Official on U.S. 'Xenophobia'

PA2804233694 Mexico City LA JORNADA in Spanish 26 Apr 94 p 8

[Report by Victor Cardoso]

[Text] The xenophobia unleashed in the United States against migrant workers must not taint all bilateral relations with Mexico because undocumented aliens are not responsible for all of that country's ills, Teodoro Maus, general director for Mexican communities abroad at the Foreign Secretariat [SRE], has said.

The official noted the conditions of Mexicans living in the United States are a matter of permanent concern for the SRE. For that reason, the Mexican Government promotes, through its embassy and consulates in the United States, rapprochement and greater involvement with legal aliens, the Hispanic and Black communities, and even nongovernment organisms "to counter the xenophobia that has been unleashed in the United States against undocumented aliens."

Mexican authorities are seeking a qualitative and serious change in the attitude toward undocumented persons in particular, and Mexican residents in general, without letting that problem *cool* relations, he said.

Maus indicated that undocumented aliens are being blamed for all the woes of the United States, although they contribute more than they receive, since they fulfill their obligations, on fiscal matters for instance, but do not receive the benefits that that earns. Most of them, he said, pay their taxes with the hope of establishing a record of residency. In addition, they do not report abuses by their employers for fear of deportation.

By way of example, he mentioned that in the State of California, restrictions were increased on federal aid for undocumented aliens who were hurt the most in the recent Los Angeles earthquake. The argument for this was that they are responsible for the rise in unemployment and crime, when the fact is those things happen as a result of that country's economic problems and the closure of military bases. He recalled that at first, federal aid for housing reconstruction was earmarked without discrimination, but later it was cut under the pretext that the undocumented aliens were to blame for unemployment, the deterioration of the economy, and crime.

Government Grants Temporary Visas To Cubans

PA2804170094 Mexico City EL FINANCIERO In Spanish 25 Apr 94 p 90

[Excerpt] Cancun, QR [Quintana Roo], 24 Apr—The Mexican Government has decided to grant temporary, 180-day visas to the Cuban boat people who arrived in national territory, as a "general measure" to halt problems that may stem from the wave of Cubans trying to seek asylum in the United States.

Jorge Mendoza Garza, coordinator of supervision and operations control of the National Migration Institute [INM], said here the 85 boat people who arrived at Isla Mujeres at dawn on 11 April are the first Cubans to benefit from this measure. Mendoza was in charge of transporting the boat people via chartered plane to Mexico City today.

The official said that after verifying that the boat the boat people were planning to use to reach Miami "failed to meet specified international security standards," these Cubans were convinced to go to Mexico City "where they can probably expedite procedures to enter the United States legally."

The Cubans voiced their doubts, however, that Mexican authorities are trying to repatriate them in light of the 23 April incident, which occurred 13 km off the coast of Isla Mujeres whereby 62 boat people evaded the Mexican Army, trying to reach international waters on board the boat that brought them from the Cayman Islands, the Ferro 25.

The Mexican Army deployed two frigates to intercept the deserters of the Fidel Castro government. One of the frigates, the "Chontal," rammed the middle of the Cuban boat. Carlos Avila, one of the boat people who, as he said, "unintentionally" became the group's spokesman, said "the boat was damaged after we were hosed with water cannons."

During the operation, three Cubans were injured, one of them in the ribs, but Jaime Machorro Musalem, Yucatan Peninsula Migration representative, has insisted that the boat people had minor bruises and that no seriously injured Cuban traveled to Mexico City.

The Cubans left for Mexico City from the local airport at 1720 sharp on a chartered Boeing 727-200, plate registration XA-TCX, owned by the Allegro Charter Company. Meanwhile, another boat with 96 Cubans on board was on its way to Cozumel, presumably to be transported to Mexico City in the same plane on 25 April.

Meanwhile, many relatives of the boat people in Miami have contacted news correspondents and the local media to inform them they would protest abuses to which the Mexican Army allegedly subjected the boat people.

Machorro refused to confirm these allegations, but he underscored immigration authorities had nothing to do with the operation "because there are no formal relations between the Navy [as published] and the INM." He added that for the time being, these institutions are addressing the problem "only as far as they are concerned." [passage omitted]

Canadian Envoy: Economic Support To Be Reinforced

PA2804145194 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 28 Apr 94

[From the "Early Morning" newscast]

[Text] Canadian Ambassador to Mexico David Winfield has affirmed his country's trust in Mexico. Speaking at the National Autonomous University of Mexico, the ambassador said economic support will be reinforced.

The recent events that occurred in our country will not alter the good relations between Mexico and Canada,

Ambassador David Winfield said. On the contrary, he added, there will be greater economic support for Mexico.

[Begin Winfield recording] Canada is very interested in investing here in Mexico now in order to expand and strengthen our economic ties. The three finance secretaries of the three countries approved a new trilateral swap [preceding word in English] in Washington yesterday so as to maintain the value of the currencies. [end recording]

Participating in the Canada-Mexico 50 Years of Diplomatic Relations Congress, the Canadian ambassador voiced his rejection of the recent kidnappings that took place recently in Mexico City.

[Begin Winfield recording] It is a terrible, unacceptable crime; it is a method that is unacceptable for solving problems. We reject this type of action, but such actions will not change our trust in the country. [end recording]

Business Leaders on North American Financial Group

PA2704202994 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 27 Apr 94

[Report by Patricia Gutierrez from the "Early Morning" newscast]

[Text] The World Bank and the country's private sector believe the creation of the Financial Group of North America to support the stability of financial markets is a sign of confidence and a guarantee for monetary and stock exchange stability. Luis German Carcoba Garcia, president of the Business Coordinating Council, has commented on the $6-billion mutual line of credit between Mexico and the United States.

[Begin Carcoba recording] A number of ideas has been discussed following NAFTA. They all seek to make mechanisms more simple, accessible, and, above all, more effective. [end recording]

Carcoba made this comment during the Mexico-Central America business meeting. Carl Dahlman, World Bank director for industrial development, said with Mexico's entry into the Organization for Economic Cooperation and Development, our country must consolidate its reforms and particularly work on modernizing its financial system because the levels of middlemen are still high. He commented on the creation of the Financial Group of North America:

[Begin Dahlman recording] [Words indistinct] provide more financial stability and confidence. [end recording]

Business Organizations Cite Economic Viability

PA2804195494 Mexico City UNOMASUNO in Spanish 19 Apr 94 pp 1, 9

[Report by Amalia Frias Santillan and Guadalupe Mendoza]

[Text] Yesterday, the Business Coordinating Council (CCE) and the Private Sector Economic Studies Center (CEESP) said that during the first trimester of the year, the Mexican economy confronted "a very difficult situation that has created an atmosphere of uncertainty and has had a negative impact on the expectations of many national and foreign economic agents." They clarified, however, that the economy is "strong, and thus the country's economic development model is viable."

Meanwhile, Victor Manuel Terrones Lopez, president of Canacintra [National Association of the Processing Industry], has predicted "stronger pressure is on the way from small groups seeking to break social peace," and he urged sectors to act "coldly and prudently to prevent violence at any cost in the upcoming elections."

In an interview with UNOMASUNO, Cesar Hernandez Espejo, president of the National Association of Executives of Business Chambers and Associations [Asociacion Nacional de Ejecutivos de Camaras y Asociaciones Empresariales], has said there is no threat of economic instability because of the closeness of the elections. He added "given that we Mexican businessmen are not a political party, we will continue to invest and create jobs even if the Presidency is not won by the ruling party because we are part of a country that has a great chance of overcoming its problems and modernizing its economy, and, in turn, of achieving a definite economic consolidation."

The country's top organization, which is affiliated with the CCE and CEESP, in a joint analysis of "the viability of Mexico's economic development model," believes "the pressure applied by the exchange rate and financial markets in November 1993 and March 1994 demonstrated the effectiveness and strength of the economic policy and the progress achieved so far because otherwise unfortunate events would have brought about economic crises of incalculable magnitude to the country."

It is said this economic strength creates maneuvering space, which is "significant for economic development as well as a means to face difficult periods."

The two organizations have explained that adverse developments, such as the assassination of Luis Donaldo Colosio, "have not been caused by problems of economic or economic policy problems, and it is wrong to associate their impact on economic development with problems that are not inherent to it."

In debating the strength of the Mexican economy, the CCE and CEESP have pointed out Mexico has managed to maintain a moderate growth of 16.9 percent from

1988 to 1993. Real remuneration (salaries, wages, benefits) grew by 31.9 percent in the manufacturing sector. "Few countries have managed to continuously reduce inflation while preserving economic growth and increasing competitiveness," the business leader added.

According to the analysis of these two business organizations, the following will give the Mexican economy space to maneuver and even face other difficult situations:

- The perseverance and congruity of economic policy during regular and critical periods, as was the case recently.
- The strengthening of the national productive apparatus based on efforts to modernize and improve international productivity and competitiveness.
- The tidying up of public finances and budget discipline.
- The trust of investors, government authorities, and international organizations on the Mexican economy.

It is also claimed that the process to modernize the Mexican economy shows significant progress and favorable results in various areas, "but this does not mean this did not entail costs for various sectors or that the process is over."

On the contrary, the CCE and CEESP have added, "it is necessary to hasten the pace and increase efforts in all areas that for various reasons have fallen behind or have become out of step with the process of modernization."

Likewise, it was said current headway in the development scheme and results make the Mexican economic process of modernization irreversible, because to "abandon or modify that scheme will cause serious consequences for the country's future and economic viability."

The two business organizations have stated efforts that have already been made cannot be wasted because most of the economic adjustments have already been completed, and "their costs have already been covered, and the benefits are only now beginning to be reaped."

Nor did they recommend the Mexican economic development model be changed because Mexico's challenge "is to ensure the full completion of the process of modernization, making it essential to advance and broaden all those areas in which the process has made the least headway."

The CCE and the CEESP have concluded it is essential to complete the process of modernization "because it is the only way to guarantee a sustained, expeditious, fair, and balanced economic development."

Canacintra President Terrones Lopez, interviewed shortly after a news conference in which he said the gross national product will grow between 1.5 to 2 percent in 1994 and that there will be 7-percent inflation, has expressed the private sector's commitment "to redouble investment and efforts to counter actions of destabilization by small groups, because we still have confidence in the country and its institutions."

Lopez believes that as election time draws nearer, "pressure from destabilizing groups will be greater, but one must consider that Mexicans can rise above adversity, as we have seen for a long time, and in the face of this threat businessmen will strengthen efforts and work."

He clarified that in addition to the education and cultural process in which Mexican society is involved, there is also a political process that permits greater awareness to analyze events with a cool head, "but it is essential that rumors which affect us so much be ignored because all sectors must seek social peace."

Lopez said that regardless of the unfortunate events that have transpired, and those that may transpire, the government is continuing its economic program of support to the micro, small, medium, and big businesses; therefore, it will also continue to restructure their commercial bank debts. The Canacintra president said foreign capital continues to flow into Mexico, to the amount of $5 billion between January and March, and "that is why we need to act calmly and always place national interest first."

In conclusion, he reported he has met with Secretariat of Finance and Public Credit authorities to look into the possibility of reducing the 2-percent tax on fixed assets and the value added tax, adjusting it to international levels of between 7 to 8 percent.

Concanaco President on Economic Issues

PA2904022994 Mexico City UNOMASUNO in Spanish 26 Apr 94 pp 1, 18

[Article by Alejandro Benitez]

[Text] Enrique Dajer Nahum, president of the Confederation of National Chambers of Commerce (Concanaco), has said the country's economic structure is well established because there are steady and solid foundations to continue to develop, however, "political excuses" have generated too much "agitation."

As the Concanaco president attended the meeting in which Jose Francisco Ruiz Massieu, Institute of the National Housing Fund for Workers director general, submitted a report on its activities, he added we will be able to remain calm insofar as we know how to preserve the balance and analyze significant issues. Dajer pointed out: The political aspect undoubtedly takes a toll of the investors' minds, but we also know that economic reasons will eventually prevail, as we saw on 22 and 23 April when the respite returned. We are positive this trend will prevail, he added.

To that effect, the Concanaco leader emphasized his proposal to restructure interest rate effects with a new plan to ensure that they will not have a major impact on

productive enterprises. He also said it is necessary to solve, once and for all, expired portfolios to ensure that both enterprises and banks will no longer have constant friction between them and that economic development will reemerge. Dajer stressed that relations between Concanaco and the bankers are good and believes in solving the country's economic ups and downs.

As he was interviewed at the Concanaco headquarters, the processing industrialists' leader said the political debate, to which Ernesto Zedillo Ponce De Leon, presidential candidate for the Institutional Revolutionary Party and his opponents from the National Action Party and the Party of the Democratic Revolution were invited, "will not eliminate anguish, uncertainty, or fears, which we must not link to the economic arena because they spark negative effects. The political debate is simply the analysis of political platforms to ensure that we, the citizens, will be able to analyze them more objectively."

Victor Manuel Terrones Lopez, president of Canacintra [National Association of the Processing Industry], said businessmen, as citizens, "favor this political change because thanks to the debate, we will establish which presidential candidate offers a better alternative to solve our country's political and socioeconomic issues."

As he talked about the meetings the business leadership held with President Carlos Salinas at the Los Pinos presidential residence on several occasions, Terrones said the following: The objective of the meetings was to analyze socioeconomic and political development. The president expressed the need that we offer him special support, but we have already supported him and his economic policies. Salinas also wants some adjustments to adapt the economic policies to the current times and circumstances.

As for last week's recovery of the Mexican Stock Exchange [BMV], Terrones said the recovery was only logical because "we must take into account that the BMV is a volatile stock exchange. Mexico does not face this problem alone, however; it occurs in all of the world's stock exchanges. This is why the ups and downs are normal, but they fail to indicate whether there will be a resounding bear market."

He said that due to the maturity already reached by the Mexican private sector, "financial agitation is already leaving us because the changes are not as radical as those we previously experienced. For instance, the case of the BMV is currently handled more professionally because virtually all of the stock exchanges thank the funds from which they receive greater financial backing than if it were done by individuals."

As Terrones talked about economic recovery, he maintained that it will take place in May, but "it will not be a widespread recovery" because some sectors are indeed producing more, but others will not recover until late 1994. He acknowledged that recession or stagnation prevail in two-thirds of the production sector because even though recovery indexes were encouraging in January and February, the recovery "fell in March." Industries and demand, however, will begin to recover slowly at the beginning of the second half of this year.

Finally, the Canacintra president added that the sectors with greater growth capacity are those sectors that have greater export capacity because production recovery will not be widespread. "Achieving growth will take us several months, but it will be more consistent by late 1994," Terrones concluded.

Costa Rica

President-Elect Rejects Joining Parlacen

PA2804160794 Panama City ACAN in Spanish 1521 GMT 27 Apr 94

[Text] San Jose, 27 Apr (ACAN-EFE)—Jose Maria Figueres, the Costa Rican president-elect, rejected the possibility the country may enter the Central American Parliament (Parlacen) as long as differences on the issue still exist in his country. He also questioned Parlacen's "concrete results" in the almost three years it has been operating.

In an interview published today in the newspaper LA REPUBLICA, Figueres, who is 37 years old and will assume control of the government on 8 May, said Parlacen is "an issue that has divided the country," and as long as this situation continues "I do not think it is prudent to continue the controversy."

"We can do many things to become closer to the rest of the Central American countries without thinking about this parliament," said the next Costa Rican chief of state. He also said regional unity can be achieved "by fighting for just causes."

According to Figueres, Central American unity does not depend on Parlacen but, rather, on a "frank, open, friendly, and unitarian" position of the countries in the isthmus, because "it is easier to be heard as a region than as a sole country."

Figueres added, however, "the negative opinion many Costa Ricans have about Parlacen could change when we see concrete results," and he asked "what are the concrete results" of this parliament since it started operations?

Parlacen, headquartered in Guatemala, was installed in October 1991 with deputies from Guatemala, Honduras, and El Salvador. Nicaragua, which has already approved its entry into the forum, has still not elected its deputies. Costa Rica and Panama have not even ratified the proposal to enter this organization.

Security Minister Cited on Drug Routes to U.S.

PA2904034994 Panama City ACAN in Spanish 1721 GMT 26 Apr 94

[By Juan Ramon Rojas]

[Text] San Jose, 26 Apr (ACAN-EFE)—Hundreds of kilograms of cocaine reach the United States every month in which Central America is used as a "bridge." Most of the drug is hidden in trailer trucks or in ships, as certain police operations in the last few years have shown.

Costa Rican Security Minister Luis Fishman told ACAN-EFE that, contrary to what everyone thinks, the maritime route is not the primary transportation means for the drug going from South America to North America, but rather the land route is. According to the minister, the drug generally reaches Panama from Colombia by sea. There it is loaded on to trailer trucks with different types of merchandise on its way north until it reaches the United States, the largest market in the world.

The strongest blows against drug trafficking activities, however, have been dealt when the drug is being transported on ships, in high speed boats, on its way to the United States. The most recent blow took place last week in a joint operation between Nicaragua and Costa Rica.

In this operation, the authorities arrested five Colombians and a Guatemalan citizen after being alerted by the DEA. The drug traffickers were caught by Nicaraguan authorities in Costa Rican waters. According to media reports, the group belongs to the Pereira Cartel in Colombia and will be returned to Costa Rica, where they will be prosecuted for drug trafficking. In a high speed boat, which left the Colombian port of Buenaventura, this group was carrying 650 kg of drugs, which would supposedly be unloaded somewhere in Guatemala from where it was to be transported to the United States by land, according to police sources.

In the last four years, more than 3,000 kg of cocaine have been confiscated in Costa Rica alone, according to official reports. Most of the drug was transported in ships on the Pacific Ocean and were detected by radars operated by the DEA in northern Costa Rica and Panama. Fishman noted his government's firm commitment to fight drug trafficking activities with all its resources, but said the police lack the means for more effective action.

In a report released earlier this month, the U.S. State Department praised the efforts made by the Central American Governments, with the exception of Costa Rica and Nicaragua, in their fight against drug trafficking and money laundering activities.

Nicaraguan Government Minister Alfredo Mendieta said in Costa Rica on Monday that this joint operation, which resulted in the arrest of six drug traffickers on Friday and the confiscation of the drug is a demonstration of his country's willingness to fight drug trafficking activities. "It has been proven that the fight against drug trafficking activities is not the responsibility of a country, but of the international community. The success of the operation conducted by Nicaragua and Costa Rica is proof of that," he pointed out.

According to the State Department, the scarce resources of the Costa Rican authorities and the lack of professionalism of the security services preclude greater progress in the fight against drug trafficking activities in Costa Rica. It pointed out that the port of Limon, the largest Costa Rican port, has become the primary drug trafficking point between the Colombian island of San Andres and the Nicaraguan Caribbean coast with the United States.

Fishman has repeatedly talked about the need for greater cooperation by the consumer nations for a more effective action against drug trafficking in Central America.

Exports 6 Percent Higher Than in 1993

PA2604163394

[Editorial Report] Paris AFP in Spanish at 1722 GMT on 19 April reports that the Exports and Investments Promotion Center, Cenpro, has reported Costa Rica's exports yielded $522 million during the first three months of 1994, 6 percent higher than in 1993. The Cenpro report adds the tourist sector, Costa Rica's main source of revenue, indicated a 10-percent increase compared to 1993 figures. The tourist sector yielded $648 million during the first three months of 1994. Despite the restrictions on the European market, banana exports are still the second leading source of revenue, with $109 million in sales, 13 percent less than in 1993.

El Salvador

Social Movement Demands FMLN Renew Strategies

PA2904021194 San Salvador EL DIARIO DE HOY in Spanish 21 Apr 94 pp 10, 31

[Article by Dr. Kirio Waldo Salgado M.]

[Text] Because of the recent discontent within the FMLN [Farabundo Marti National Liberation Front] ranks and the serious contradictions that are destroying what little is left of "the revolution," the "front" has been forced to discreetly abandon Ruben Zamora.

Soon after the "analysis of the situation" of the social movement became known, everything seemed to indicate that the prevailing argument is that it is useless to continue wasting time and money on a losing ticket which does not have the consensus of the people to represent the interests of the workers. Perhaps this is why in the 20 March elections the social movement's support was so weak. But the story goes back much further. It stems from the "General Command's" alienation of labor leaders and peasants, who supported the FMLN organization for 12 years, hiding many clandestine "commanders" who—like Zamora—were engaged in political undercover actions.

The madness of the leadership of the former guerrilla movement and the vertical command structure that imposes its decision from within the FMLN have been the main cause of the break between union members and the political committee of what is now a political party. This has reached such a point that the "coalition" cannot find persons to observe the polls or individuals to serve on the Voting Table Boards on 24 April.

This has further demoralized Zamora's team. The union movement, intelligent and in step with democracy, does not want to become involved in the leadership problems of an FMLN that is deeply divided, that has made use of confrontation and the Marxist practice of slandering its opposition. The social movement has suggested, if not a change in leadership, at least a renewal of its strategies, more in keeping with the aspirations of the majority. The workers and peasants demand from their leaders a serious dialogue, without demagoguery, in order to better define their positions. They question the arrogance of those "commanders" who passed to "a better life" after the peace accords. They want an explanation for the new ideological posture adopted in favor of imperialism by those who betrayed the revolution in Santa Marta. The want a new leadership born of the rank and file, with a different vision, that will allow freedom and democracy within the organization, and that will eliminate fundamentalist and "bourgeois" vertical command structures that are destroying what little is left of the revolutionary mythology.

But there are those who not want to give up their positions because if they did they would have to return their armored cars and sumptuous homes to the revolution. They would be inhibited from rubbing elbows with the capitalist "bourgeoisie" that they are serving and would lose their "class" privileges, which has alienated them from the rank and file and the labor-peasant movement.

The unions no longer want reprimands from the FMLN leaders. Perhaps they are a long way from fulfilling their dreams, but they have reached the conclusion that it is easier to achieve them by talking directly with the democratic right wing.

They are renouncing, prematurely, any manipulation by the FMLN, because they proved the "front" was never a reliable link between the impoverished population and businessmen, between the middle class and the power of the state.

Doubtlessly, the rectification of the social movement may once again attract the sympathy of the new government. They understand that if they are sincere and know how to ask for things, they may reintegrate into the democratic mainstream and contribute to strengthening important national objectives.

The breach they opened to undermine the foundation of the Republic during their 12-year alliance with Marxist terrorism did not improve the rank and file's living conditions. Now, in peace and harmony, they can procure a better future for their fellow union members within the system.

We are sure that good judgment will be the norm for the social movement to follow. Let's hope this is not merely rhetoric born of the contradictions of the left wing.

El Salvador will be a great and sovereign nation when the strategy of brutality, blackmail, and Marxist dogmatism gives way to sincerity and good judgment. We hope this will happen on 24 April.

Guatemala

'Alleged Assassins' of Court President Arrested

PA2804220694 Panama City ACAN in Spanish 2357 GMT 26 Apr 94

[Text] Guatemala City, 26 Apr (ACAN-EFE)—The National Police announced today the arrest of two alleged assassins of Epaminondas Gonzalez, the Constitutional Court president, who was killed on 1 April.

Deputy Police Director Armando Orellana explained in a news conference that the detainees are brothers Marlon Oliver and Mario Rene Salazar Lopez. The arrest of the two alleged assassins of Gonzalez belong to a "well-organized band" of car thieves, and there is "enough evidence" of their alleged implication in the magistrate's murder, according to Orellana. The police added that Marlon was arrested on 11 April and Mario was arrested two days later in Monserrata neighborhood, southern Guatemala City.

According to Orellana, the masterminds of Gonzalez' assassination used a red Japanese-made car, which hours before the crime was stolen from Rolando San Ramon and was later intentionally set on fire.

In the vehicle [words indistinct]—three remain to be seized—and according to the investigations, Mario Oliver Salazar was the one who fired the .38-caliber automatic at Gonzalez for resisting the theft of his vehicle, according to the deputy police director. He explained, however, that it will be up to the courts to determine the responsibility of the Salazar Lopez brothers.

Gonzalez, the man who returned the country to a constitutional regime following the unsuccessful coup attempt perpetrated by ousted President Jorge Serrano on 25 May 1993, was assassinated at his home located in Zone 2 of the Guatemalan capital.

The vehicle used in the attack appeared two days later in the San Cristobal neighborhood in southern Guatemala City. On 15 April the authorities announced the arrest of Geovanni Reyes, Abimael Samayoa, and Alfredo Santos Lopez, but Orellana said they have been unable to determine if they have any connection with the Salazar brothers.

TSE Appeals CSJ Resolution Suspending Elections

PA2904155094 Guatemala City LA REPUBLICA in Spanish 25 Apr 94 p 5

[By Ramon Hernandez S.]

[Text] The Supreme Electoral Tribunal (TSE) magistrates on 24 April filed an appeal on the Supreme Court of Justice (CSJ) resolution temporarily suspending the legislative elections slated for 14 August. It has been reported that the appeal was filed at the CSJ Secretariat at 1845 local and that the file will be sent to the Constitutionality Court (CC) today.

Thus, the decision to continue the electoral process is in the hands of the CC magistrates, who should either confirm the provisional amparo ordered by the CSJ or amend it. The latter looks more likely, according to legal and political analysts.

On 22 April, the CSJ magistrates, acting as an amparo chamber, accepted the provisional amparo which Social Action Movement (MAS) Deputy Carlos Arroyave Cerna had requested saying he had been harmed by the TSE's call for the elections to be held on 14 August. This action interrupted the election process. The CC magistrates are expected to overrule the CSJ and rescind the resolution in a few hours, however. Consequently, the election process would continue while the provisional amparo filed by Deputy Arroyave follows its normal course.

The fact that the TSE magistrates have filed an appeal on the CSJ resolution means that they acted according to the Constitution and the law by calling the Guatemalan people to hold legislative elections to elect a congress of 80 deputies.

Democratic Union (UD) Party Deputy Luis Chea last night said he hopes the CC magistrates "will abide by the law and confirm the TSE's call for elections, which is according to the law."

Roberto Arana Espana of the Central Authentic Nationalist Party said: "The CC must rule favorably on the appeal filed by the TSE magistrates because the CC is the only institution backed by the people. It is the only body whose decisions are accepted by the people because the CC has always abided by the Constitution." Arana Espana added that the people are ready to participate in the elections on 14 August, "a historic date which will change the country's politics."

Congress President on Suspension

PA2904034294 Guatemala City Teleonce Television in Spanish 0400 GMT 26 Apr 94

[From the "Telepress" newscast]

[Text] The Constitutionality Court will have to decide whether it will process the appeal filed by the Supreme Electoral Tribunal against the temporary suspension of the election for new deputies. This issue aroused various reactions on Monday in judicial and political circles. National Congress President Vinicio Villar Anleu commented on the implications of the case:

[Begin recording] [Villar Anleu] It seems to us—and we uphold Congress' institutional policy—that the nation's laws must be respected and that the Constitution must be respected. In this case, we will obey any legal decision issued. What is interesting is that we are not only operating under a democratic process with a government that is respecting the Constitution, but we are also

operating under a de jure state in which the decisions of various judicial institutions should prevail—in other words, the decisions of the relevant courts.

In this case, a court issued a temporary amparo, and, because we live in a de jure state, we must obey it. This is a temporary amparo. A deeper analysis of the case must be made before a definite decision is handed down. The Congress, as an institution and as one of the three state branches, is willing to respect and always obey the legal opinions handed down by any court that has jurisdiction.

[Unidentified reporter] What is your opinion about the paid advertisement by Alvaro Arzu, one of the secretaries of the National Vanguard Party [PAN], who points out that the corruption in Congress and...

[Second unidentified reporter, interrupting] Saying it is responsible for the whole crisis...

[Villar Anleu, interrupting] I say what I have always said: We respect the opinion of any Guatemalan citizen. In this case, Mr. Alvaro Arzu, a citizen like any other, is expressing his opinion. This opinion must be respected. As president of the Congress, I do not share his opinion. I want to make it clear that the deputies were elected by the people during clean, democratic, completely legal, and crystal clear elections for a five-year term. This term is mandated by the Constitution.

As I have said before, in the spirit of helping this Congress, we have accepted—after an agreement with the executive—moving up the legislative elections. Nevertheless, the mandate was for five years, and in this case it was the people who elected us. If he says there has been irresponsibility on the part of the deputies, I would say it is the responsibility of all, including the deputies of his party—that is, the PAN—who resigned last year. They are also responsible for any political activity taking place in the nation. Therefore, I am sorry he has made these statements. I do not share his opinion, but I respect it. That is his opinion, and it must be respected. Well, when someone has money to spend, he can publish paid advertisements.

We, as an institution, respect everyone's opinion, even if we do not share it. We want to make very clear our position that we are complying with a mandate for the upcoming elections. We will respect the agreement made with the executive; however, we also respect the law and the Constitution. If a court issues a decision, we will obey it because we live in a de jure state. [end recording]

Court Approves 14 Aug Elections

PA2904004094 Panama City ACAN in Spanish 2348 GMT 27 Apr 94

[Text] Guatemala City, 27 Apr (ACAN-EFE)—The Constitutionality Court (CC) reported today that the country's new Congress will be elected on 14 August, just as had been established by the Supreme Electoral Tribunal (TSE).

The CC turned down the temporary amparo granted by the Supreme Court of Justice (CSJ) to Deputy Carlos Arroyave against the TSE, whom he accused of violating his rights by calling parliamentary elections for 14 August. According to the resolution issued today, the CC turned down the amparo granted by the CSJ on 22 April because it considers the situation presented by Solidarity Action Movement Deputy Arroyave as "nonexistent."

President: Fiscal Reforms Seek 'Tax Fairness'

PA2804223794 Guatemala City PRENSA LIBRE in Spanish 26 Apr 94 p 71

[Text] President Ramiro De Leon Carpio said that fiscal reforms are intended to ensure tax fairness. The president also denied that the reforms could undermine the Guatemalan population.

According to the president, extraordinary taxes will only affect approximately 3,000 persons and legal entities that earn more than 500,000 quetzals in income. Likewise, he indicated that "it is completely false that the reforms proposed last week will tax the majority of the population since the VAT [Value-Added Tax] remains at 7 percent and the only thing that is being sought is to widen the base rate.

He pointed out that if Congress does not pass the reforms proposed by the Executive Branch, tax evasion could total 250 million quetzals during the year. De Leon Carpio also said that the government is under pressure to cut its liability and increase its revenues in order to be able to invest more in basic services that will benefit the population. "Hospitals and schools alone owe more than 1.2 billion quetzals to their creditors," he stipulated.

Honduras

Defense Minister Views Volunteer Military Service

PA2804180494 Tegucigalpa Voz de Honduras Network in Spanish 1240 GMT 28 Apr 94

["Exclusive" interview with Defense Minister Reynaldo Andino Flores by Rodolfo Valladares and Danilo Izaguirre on 27 April; place not given—recorded]

[Text] [Valladares] We are talking with Defense Minister Andino. General, what do you have to say to the Honduran people after listening to President Reina's message tonight?

[Andino] Please excuse my sore throat and hoarse voice. Regarding your question, we have said over and over that the Armed Forces is a serious, professional, obedient, nondeliberative institution. The president made a promise during his campaign. The Armed Forces cannot leave the president in a predicament. We must support him.

But this doesn't mean that we are in complete agreement with the concept of volunteer military service, not for

personal reasons or for a lack of understanding, but because we have many doubts about the benefits that volunteer military service would have for the national interest.

I would like to reiterate that the Armed Forces has always supported the president. We will accept the proposal because we are subordinates and have no reason to dispute the president's opinions or decisions. Nevertheless, we believe it is important that it be clearly understood that we do not completely agree with volunteer military service. We say this not as military officers but as Hondurans.

[Valladares] General, this means you accept the idea but do not completely agree.

[Andino] We hope we are wrong, but we have reservations about the impact of volunteer military service. We agree that existing recruiting measures are not the best, but we think the military service law by itself is good and thorough enough for us. The law separates the issue of military service from recruiting measures. The fact that part of the law—in this case the part on recruiting—isn't properly implemented does not mean the law is bad. Only some aspects of it would have to be changed or improved.

May I reiterate: This is the president's decision. As subordinates, we gladly support his decision and will do everything possible to ensure that volunteer military service produces the best possible results.

[Valladares] This station has learned that some have said a volunteer military service would be enormously expensive, costing nearly twice what the Armed Forces has in its current budget. This has all been discussed; you confirmed it tonight. The Armed Forces accept this proposal because President Reina is the commander in cheif of the Armed Forces, but you have expressed disagreement.

[Andino] Right now we have three lempiras allocated to feed one soldier each day. One of the main incentives for volunteer military service is a more balanced diet. These days, when prices of basic goods have skyrocketed, three lempiras could hardly buy an attractive meal for a young man willing to enroll in the Army. And this would have to come hand-in-hand with the correction of all criticisms and defects. We will try to live within our allotment. Let's see what happens.

I reiterate. I hope that I'm wrong and that volunteer military service will have the expected results. Nevertheless, there are several factors that could have some effects in the long term. Consider that only three countries in the world have volunteer military service, all of them developed countries. No country in the Second or Third World has this type of military service.

But I hope this idea can prosper. We hope the real winners will be the people. In this kind of military service, one enrolls voluntarily and leaves when one desires. But some people might stay with the added attraction of a higher salary. Others would do stay for personal reasons. And this sounds a little bit more like a mercenary service.

[Valladares] General, you explained all this to President Reina. I feel there is pessimism among the Armed Forces and that action was taken hastily so as to keep a campaign promise and because of the protests and criticism by some sectors. Has this been done in haste?

[Andino] We are members of the military; we are obedient; we are nondeliberative, and apolitical. We would not like to express an opinion on political topics. What I repeat is that we are going to obey, with good faith and goodwill, so that the volunteer military service will produce the expected results. We are here to follow orders.

[Valladares] General, at this time, taking advanatage of the opportunity you have given us, Danilo Izaguirre wants to ask you something about the educational military service [servicio militar educativo]. Go ahead Danilo, Gen. Reynaldo Andino Flores is listening:

[Izaguirre] Thanks, Raul. General, good evening. How true or false is the following? A group of deputies is going to talk to you to find out whether the government pressured you into remaining silent on the issue of abolishing what the Constitution says on compulsory military service. This group says that if you have indeed been pressured to approve this in haste, it will take measures in the National Congress. Go ahead, General:

[Andino] The sovereign National Congress will know what it has to do in this situation and at this time of historic decisions. I think they have enough experience, maturity, and knowledge to know what role the National Congress should play. We will support whatever Congress decides and whatever the president has decided. We will second him the best way possible and with the best intentions.

[Valladares] What has Gen. Discua, commander of the Armed Forces, told you about all this? There was a feeling that the military did not agree. Tonight you have confirmed to this station that they are going to obey, and that hopefully this educational military service will be successful, but that only three countries have it, and, with the country's economic and social problems, there is some uncertainty about this educational military service.

[Andino] I think the talks that have been held have been very positive. The problem has been analyzed in a climate of great cordiality and understanding on the part of the people appointed by the president. There has been a great desire to find the best solution. I think the alternative that was found... [pauses] We think the reform, as proposed in the new constitutional article, could help resolve the situation because several circumstances are foreseen in the event that the volunteer military service does not work. There are some aspects

there which take into account the possibility of a problem with regard to calling on volunteers.

[Valladares] There is talk about disbanding nearly four battalions, about questions from the U.S. Government on reductions in the Honduran Army, and about U.S. aid to our country being linked to that. As defense minister, what can you tell our listeners about the situation?

[Andino] If we are not in fact independent, at least we should try to be independent. In the Armed Forces, the reduction process has been under way for the past three or four years. In the recent past, a field artillery brigade, an anti-aircraft battalion, and units of the territorial forces were deactivated.

We in the Armed Forces are preparing to present to the president a plan for reducing the Armed Forces that includes cutting back several units and merging others. All of this will be proposed not because of any internal or external pressure or because anyone has threatened to go on a hunger strike or anything like that. It is simply because the military is aware of national realities. We live in Honduras, and we have always lived here. As the saying goes: We were born here, we live here, and this is where we're staying. We have spent our entire lives here, and we are aware of the country's problems. We are quite aware of the nation's reality.

Considering the 10 percent budget cut implemented during the past administration and the current 10 percent cut, these alone are a 20 percent cut in the Armed Forces' budget. The fact that funds earmarked for the Armed Forces remained unchanged for approximately a decade can be viewed as a form of reduction. And considering the 20 percent I just mentioned, in addition to increases in the cost of living and the currency devaluation, we are talking about a nearly 50 percent cut in the Armed Forces' budget.

Taking all this into consideration, we definitely cannot continue with the same structures we have had in the past decade. Independent of what takes place on the financial side, we are aware that some of the original reasons for increasing the size of the Armed Forces no longer exist. But this doesn't mean that because the Cold War is over, we now must get rid of the Armed Forces.

In neighboring Guatemala, right next to us, there are no ideological or Cold War problems. Despite this, you are all aware of the problems Guatemala is going through. Guatemala has no border problems with any other country, yet there is no talk there about cutting the Armed Forces. They are confronting internal problems which hopefully we will never have to face. The problems over there are caused by menaces like poverty, injustice, and corruption.

[Valladares] Two final questions, General, before you send your message to the Honduran people. Tonight, President Carlos Roberto Reina said that these reforms will mark a turning point in relations between civilians and the military. Or will they mark differences with Gen. Reynaldo Andino Flores?

[Andino] No, I don't believe this will create any differences. I believe this marks a historic turning point in the sense that the Armed Forces will once again prove that it is sensitive to national problems. The institution will also prove its subordination to the civilian government. I believe this is the most important thing—independent of the question of whether the measures are indeed positive—the Armed Forces will obey. The president, as head of the Republic and commander in chief, commands the Armed Forces. We are a responsible, permanent, and credible institution, subordinate to a policy of obedience and nondeliberation.

[Valladares] General, what do you have to say to the Honduran people who are listening to you on HRN? Following this interesting conversation, what do you have to say to those listeners who have tuned in to this HRN broadcast? Gen. Reynaldo Andino Flores, as the Honduran defense minister, what do you have to say now that President Reina has pointed out that military service will be volunteer, educational, social, humanist, democratic, and intended to encourage the younger generation to fulfill their aspirations?

[Andino] Well, my message is that we should have faith, hope, and trust that everything will turn out well. The president is a man of experience. He is a national leader. He is our president and the top authority in the country. He knows what he is doing. We hope God will enlighten him in everything he does and decides. We, I repeat, are an institution that is at the service of the nation. The president has been elected by a system established by our laws, and we can do nothing but obey him.

I only want to reiterate, once again, that we, the Armed Forces, do not believe volunteer military service is a good idea. We do not agree, not because we are conservative or reactionaries, but because we, as professional military men, know a bit more about military issues and believe there are more disadvantages than advantages in this idea. If this measure is going to be implemented only to satisfy personal interests and not national interests, we are doing the wrong thing. It is, of course, easier to do what we want and what interests us than to do what the country needs. If we are truly going to take this path, I cannot say how appropriate it will be to have a volunteer military service.

I repeat, I hope we are wrong and that God has enlightened the [words indistinct] of the president and is enlightening all of the Honduran people. We hope this new measure will help Honduras to increasingly become a better and more prosperous country with better chances for an auspicious future.

Reina Says Discua Supports End of Military Draft

PA2804231594 Paris AFP in Spanish 2116 GMT 28 Apr 94

[Text] Tegucigalpa, 28 Apr (AFP)—President Carlos Roberto Reina said Thursday that the Honduran Armed Forces support his decision to eliminate compulsory military service, as announced on Wednesday night on a national radio and television network. The president told the press that after he announced his intention to submit to the National Congress a bill to remove forced recruitment from the Constitution, General Luis Alonso Discua, commander in chief of the Honduran Armed Forces, telephoned him to congratulate him.

He described as "part of the democratic give and take" the statements made Thursday by other top military leaders, reiterating their disagreement with the measure, which relieves young men between 18 and 30 years old from compulsory military service.

Reina's bill proposes instead the creation of "a voluntary, educational, social, humanistic, and democratic military service."

In addition, the deputies of the opposition National Party of Honduras said today they will have to review the bill with the military before it reaches the plenum of the legislative chamber. Constitutional amendments must be approved by two-thirds of the 128 deputies and must be ratified by the legislature the following year to enter into force.

Meanwhile, Gladys Lanza, one of 10 people who went on a hunger strike 10 days ago to pressure the government to repeal compulsory military service, told reporters she will not stop her fast until there is a final decision on the matter.

President Reina acknowledged today in remarks to the press that compulsory military service "has been terribly unjust," because it has only been imposed on the poor, and military chiefs themselves have admitted that young men in the batallions have been mistreated.

Defends Defense Minister

PA2904030194 Panama City ACAN in Spanish 0051 GMT 29 Apr 94

[Text] Tegucigalpa, 28 Apr (ACAN-EFE)—Honduran President Carlos Roberto Reina today said he has begun "to establish order in democracy" in his country, and, alluding to the military, he stressed that he is the commander in chief of the Armed Forces.

Reina was questioned today by opposition politicians and local analysts, who suggested he remove Defense Minister General Reynaldo Andino from his post for disagreeing with the draft bill which the government sent to the National Congress to reform military service.

The reform changes compulsory military service to "voluntary, educational, social, humanistic, and democratic" service. According to Andino, the Armed Forces do not agree with the change, but will abide by the president's decision.

Those who are questioning Andino's remarks argue he has shown disrespect for the president's authority, because by law the military must be "apolitical, obedient, and nondeliberative," and, therefore, they feel the president should remove him from his post.

Reina said there is no insubordination on the part of the general and that everyone interprets the draft military service reform as he sees fit.

The president asked, "How can it be insubordination, when he is obeying the orders of his commander?" Reina also noted that any citizen can express doubts about the proposal, which, in his opinion, is a democratic right.

In referring to those people who contend the defense minister is defying his decision, Reina said, "It seems to me that this is not a correct interpretation, perhaps because of a lack of information or because they do not agree with what is being done."

The president said the draft bill on reforming military service was discussed with his cabinet ministers, his advisers, and the military command "until we reached a point of consensus."

Reina told newsmen that, after he announced that he had sent the draft bill to the legislature on Wednesday, he received a call from Divison General Luis Alonso Discua, the chief of the Armed Forces, "congratulating" him.

The president reiterated on three occasions that he is the Armed Forces commander in chief and that he is not afraid of being wrong, because it will be the National Congress which will open the debate on military service.

"The people are represented there in Congress, and if Congress rejects the proposal, then I will know that I have been mistaken," he said.

He also said the Armed Forces have admitted that the traditional military draft "was inappropriate, inadequate, and violated basic principles."

Reina maintains that military service "has only been compulsory for the poor" and that "terrible injustice was committed under the former system."

Denies Reports of Army 'Insubordination'

PA2904025494 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 29 Apr 94

[Report by Glenda Moreno; from the "This Very Day" newscast]

[Text] The apparent confrontation between the civilian and military sector, generated by the proposal to have a

volunteer educational, social, humanistic, and democratic military service by President Reina, and the dissenting remarks by Defense Minister Reinaldo Andino Flores, monopolized the news conference the president held today.

[Begin Reina recording] Every person interprets the matter based on this opinion. What does he mean? That he abides by it. He has a different opinion because he does not think the volunteer service can meet the needs. Some tried to say he was defying this decision. I feel this is not a proper interpretation. [end recording]

Throughout the news conference, Reina denied there was any insubordination on the part of Gen. Andino Flores.

[Begin recording] [Reina] Absolutely. How can that be insubordination, when he obeys the orders of his boss?

[Reporter] [Question indistinct]

[Reina] The president is the chief of the Honduran Armed Forces. [end recording]

What is important, the president said, is that the Executive Branch's bill was submitted today to the National Congress. The Legislative Branch will have to decide, he said, whether or not we are wrong.

[Begin Reina recording] I am not afraid of being wrong, because this goes to the National Congress, and it will debate it. One supposes that all the people are there. If the Congress rejects it, I will openly admit I was wrong. [end recording]

Although the topic of the volunteer, education, social, humanistic, and democratic military service monopolized the attention of the media, President Reina commented on other topics, such as the energy crisis.

[Begin Reina recording] Let me tell you that yesterday I spoke with the Mexican president. He offered us all his help, and if this works out we will overcome the crisis in a few days. He is offering two plants that generate 30 megawatts each. We will overcome the problem with those 60 megawatts. [end recording]

Nicaragua

Replacement Chosen for General Ortega

PA2804194194 Managua Radio Corporacion in Spanish 1330 GMT 28 Apr 94

[From the "Trench" newscast]

[Text] General Humberto Ortega's replacement is ready. Sources close to the Presidential House have learned Major Gen. Joaquin Cuadra Lacayo will be promoted to lieutenant general of the Sandinist Army. He will be the highest-ranking officer in the country, second only to the general [Humberto Ortega], of course, who does not allow anyone to be his equal.

Sources very close to the Presidential House have leaked that President Violeta Barrios will announce, any moment now, the promotion of Major Gen. Joaquin Cuadra Lacayo to lieutenant general. Mrs. Barrios, as supreme commander of the Armed Forces and defense minister, has the constitutional power to grant this promotion, thus making Cuadra Lacayo the second highest-ranking officer, second to Humberto Ortega, who does not allow any officer to become his equal; that would be disrespectful.

It is believed this appointment represents a message to the U.S. Government about the changes Mrs. Barrios is making to the image of her country and government. Many see this as a maneuver that is taking place with the concurrence of Humberto Ortega, of course, who has just said at the Olof Palme Convention Center that anyone trying to change the correlation of forces would provoke further destabilization, which could lead to a new Nicaraguan civil war.

Police Chief: Political Violence Down, Crime Up

PA2804235894 Paris AFP in Spanish 1136 GMT 26 Apr 94

[By Lidia Hunter]

[Text] Managua, 26 Apr (AFP)—Although political violence decreased after the war ended four years ago, Nicaragua has registered an increase in common crimes to the point that even policemen are assaulted by criminals, National Police Chief Fernando Caldera admitted today. "Violent crime" is what worries the police most because although there has been a decrease in political violence generated by the war, the crime rate is swelling, Caldera stressed to AFP.

According to the officer, the growing crime rate is a result of "political violence, economic crisis, and the culture of violence" so entrenched in this country, which was at war throughout the entire past decade. The war between the contras and Sandinists left more than 50,000 victims, including dead, injured, crippled, as well as material losses amounting to the millions across the entire country.

According to a study carried out by the National Police, the public order situation changed "substantially" in 1990, both in magnitude and type, to include land and institution takeovers and public demonstrations and protests over government policies.

In 1990, when Violeta de Chamorro assumed control of the government, replacing the Sandinists and ending the war, there were 28,005 crimes. That number increased to 30,896 in 1991, 35,924 in 1992, and 42,394 in 1993. In 1990, the police dismantled 125 criminal bands. In 1991, however, they dismantled 189; in 1992, 288; and in 1993, 363. In addition to the criminals in the cities, there are 300 armed men in the mountains who ravage the peasant population. In the first three months of 1994, the police reported dismantling 98 bands; a 31-percent higher rate than last year. During those four years,

authorities solved 3,320 crimes and arrested a total of 3,946 criminals, many who are repeat offenders.

Furthermore, in 1990, among other reasons because controls were reduced, drug crimes increased a substantial 120 percent, according to the National Police. In 1991, authorities seized 730 kg of cocaine, 155 kg in 1992, 97 kg in 1993, and up to now in 1994, 1,100 kg of the drug have been seized. Murders have also increased since 1990 when 202 people were slain. In 1991, the number was 259; in 1992, 325; and in 1993, 331.

Leal: Transition Period Needed To Join NAFTA

PA2804233894 Managua LA PRENSA in Spanish 25 Apr 94 p 11

[Report by Cesar Ubeda Bravo]

[Text] Foreign Minister Ernesto Leal said Central America, especially Nicaragua, requires a transition period that would allow the region to maintain its competitiveness while negotiating joining NAFTA, which was signed by the United States, Canada, and Mexico. Minister Leal, who met with the American Chamber of Commerce yesterday, said this transition period is required by NAFTA and is necessary because of the special conditions of the region, which is leaving behind a period of wars and conflicts.

He said that in a prudent amount of time—three years—the Central American economies should adjust themselves to the transformations that are taking place, allowing the countries to maintain current preferences and to have access to the same preferences so they can join NAFTA after the transition period.

The chief of Nicaraguan diplomacy said that with the signing of the treaty, Central America is at a serious disadvantage with Mexico. "With the implementation of NAFTA this year, Central America runs the risk of losing its preferential conditions for access to the U.S. market. This is because the reduction of tariffs in this treaty is automatic for 84 percent of Mexican products," he indicated. For the Central American isthmus, 20.1 percent of exports to the United States have a tariff treatment with preferences assigned by the Caribbean Basin Initiative [CBI], the Generalized System of Preferences (SGP), and the Assembly Plant [Maquila] Regimen.

During a meeting between U.S. President Bill Clinton and dignitaries of the Central American region and the Belizean prime minister, a high-level commission was created that will be in charge of the follow-up work on the CBI and Central America's adherence to this extremely important treaty. "It must be noted that the leading products exported to the United States are agriculture and textile products. It is precisely in these sectors that our relative competitiveness with regard to the same products of Mexican origin are adversely affected," Leal said.

He added that the seriousness of this situation not only consists of the fact that Mexico is joining the U.S. market, but that it also enjoys a preference that is far beyond the usual tariff treatment. "NAFTA encompasses, in addition to tariff aspects, the so-called nontariff barriers. It also includes specific provisions regarding investments," he pointed out. He added that the CBI lacks these additional benefits, "which constitutes a severe disadvantage for Central American products. It will allow Mexico to compete under better conditions."

He said NAFTA will grant Mexico preferential treatment on sugar, which will make the country a net exporter of the product. As for the textile sector, he indicated that the treaty allows 45 percent of Mexican exports to the United States to enjoy a zero tariff, which means Mexico will have an advantage over Central American products in the U.S. market. Finally, he called upon the businessmen to support the treaty signed by the northern countries.

Swiss Assistance Totals $7.5 Million

94P20683B

[Editorial Report] Managua LA PRENSA in Spanish of 12 April 1994 on page 4 reports that the Swiss Cooperation Agency (Cosude), which is responsible for overseeing assistance to Central America, will lend $7.5 million to Nicaragua in 1994. Cosude allocates $15 million to all of Central America and funds rural development, water, environment, and microenterprise projects.

Oil Agreement With Venezuela Considered

94P20683A

[Editorial Report] Managua EL SEMANARIO in Spanish of 7-13 April 1994 reports on page 9 that, according to Economy Ministry sources, Venezuelan businessmen have shown interest in oil imports to Nicaragua in view of the privatization of the Nicaraguan Petroleum Enterprise (Petronic). They are also interested in the internal distribution of oil and petroleum byproducts. Petronic reports that Nicaragua uses 5 million barrels of petroleum per year costing over $100 million, which is equal to 40 percent of total 1993 exports. A trade agreement between Petronic and Venezuelan entrepreneurs is expected in August.

Panama

Poll: Blades Won Presidential Debate

PA2804182494 Panama City LA PRENSA in Spanish 26 Apr 94 p 1

[Report by Juan Luis Batista]

[Text] According to a telephone survey of 512 people who watched last night's nationally televised presidential

debate, singer Ruben Blades of the Papa Egoro Movement won the debate. The poll conducted at LA PRENSA's request by the Dichter and Neira/Lou Harris polling firm gave the following results: Ruben Blades, 40.2 percent; Ernesto Perez Balladares, 29 percent; Ruben Dario Carles, 18.9 percent; and Eduardo Vallarino, 4.9 percent. The question asked was: Regardless of your presidential preference, who do you think won the presidential debate?

Seven percent of those polled did not answer the question or said they did not know who had won. The margin of error in this poll is plus or minus 5 percent. Of those polled, 32.2 percent said their answer was not based on their party preferences, while 57 percent admitted their answer was related to their preferences. Meanwhile, 10.8 percent said they did not know whether their answer was based on their party preference.

Asked whether the presidential debate changed their opinion, 76.9 percent replied it did not, while 11.5 percent said it did. Another 11.6 percent said they did not know. Of those polled, 57 percent were women and 43 percent were men. As for their ages, 43.7 percent were between the ages of 18 and 35; 30.1 percent between 36 and 49; and 26.2 percent were 50 or older.

A similar poll conducted by Dichter and Neira after the 11 April presidential debate showed Blades in the top spot, followed by Perez Balladares, Carles, and Vallarino. In the debate, which was organized by the Latin American Institute of Advanced Studies (ILDEA) and the Media Presidential Debate Committee, the candidates discussed general issues like the economy, culture, the Canal, population growth, the prison system, and the Constitution.

Roundup of Electoral Developments

PA2904020694

[Editorial Report] The following is a compilation of reports on developments related to the elections scheduled for 8 May.

Yesterday, Juan Francisco de la Guardia, chairman of the Electoral Delegates Commission, told LA ESTRELLA DE PANAMA that on 8 May, 361 electoral delegates will montior Election Day developments and represent the Electoral Tribunal magistrates before governors, mayors, corregidores, and members of the public force. [Panama City LA ESTRELLA DE PANAMA in Spanish 23 Apr 94 p A1]

The presidential candidate of the United People alliance, Ernesto Perez Balladares, has visited communities in Cocle Province, where he reiterated his commitment to a government that will promote "stability, reconciliation, security, and integrated development." [Panama City Circuito RPC Television in Spanish 2300 GMT 27 Apr 94]

Argentina

Cavallo Says U.S. Will Not Apply Sanctions

PY2804181894 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 28 Apr 94

[Text] Economy Minister Domingo Cavallo, who returned today from Washington, stated that the United States will not apply sanctions against Argentina over the Patents Law, which has not yet been approved by Congress.

Cavallo also maintained that during his negotiations with U.S. businessmen, bankers, and government officials, the matter of the Patents Law did not come up.

Army Chief of Staff on Falkland Islands

94SM0332A Santa Fe de Bogota EL TIEMPO in Spanish 3 Apr 94 p 16A

[Article by Clara Elvira Ospina: "The Malvinas Are Argentine"]

[Text] He came to Colombia with the firm intention of strengthening the ties between the Argentine Army, which he commands, and the Colombian Army. But he also arrived with a score of 5-0 hanging over his head. He knew that it was his duty and that he wanted to congratulate the Colombians on the fact that their soccer team had managed to kick the ball into his compatriots' goal five times.

What he did not think about was that everyone would ask him about the Falklands war. Wherever he appears in Colombia, Lieutenant General (the top rank in the Argentine military) Martin Antonio Balza, Army chief of staff, spends much of his time recalling the conflict his country waged with the United Kingdom in 1982.

Now, 12 years after the lost war, Balza insists that the Falkland Islands belong to Argentina. "That is unquestionable," he asserts.

"But," he points out, "that is a political problem. Our president has made that very clear at numerous international forums. The matter lies in diplomatic hands, and it is through those channels that we hope to recover that piece of Argentine territory."

Although he did not say whether it could be obtained militarily, he knows that he is a soldier, that he is obedient, and that if it were necessary, he would obey orders to fight a war on those grounds.

The harsh experience of the conflict keeps haunting his conversation. "I am not a Falklands war hero," he says. The real war heroes are the men, the officers, petty officers, and enlisted men in the Army, the Navy, the Air Force, and our Gendarmerie who remained behind as a monument to our sovereignty. The real heroes of the Falklands are those who were mutilated. I was just one more soldier who went and came back, after fighting for something very dear to the hearts of all Argentines."

He could not say whether there were violations of the Geneva Convention during the war. Although he was held prisoner for a month, he claims not to have been mistreated or to have had his rights trampled.

Looking back, he knows that the war was lost because the Argentine Armed Forces were very weak compared to those of the United Kingdom. "We went into the Falklands war on the basis of two assumptions of national or military strategy.

"One assumption was that the United Kingdom would not respond, and the other assumption or hypothesis was that the United States would support us or remain neutral. Neither was true.

"We went to war on an island territory without controlling the air or the sea. The British dominated the skies. It was a war in which there were acts of heroism, acts of operational efficiency on the tactical level, but that was not enough to win a conflict with those weaknesses and limitations."

The Experience

It is now 12 years since that war, he says, and it is more prudent to live in the present. Relations with the British are "excellent," Balza declares. "The war is a thing of the past. We will never forget our dead, nor will the English; but the best thing we can do is to pray for our dead, and it does not matter if our prayers cover the English as well. That is the Christian spirit," he states.

He has not forgotten the experience the Armed Forces gained in that war, however. "One of the most important lessons the Falklands war taught the Army was never again to be forced to participate in activities beyond the scope of the role defined for us by the Constitution; never again to participate in politics," he says.

Undaunted, he claims that this experience simply brought the military back to its original role: obeying the Constitution and the law, but not intervening in politics.

Moments after the first question on the Falklands, however, he makes it clear he is interested in leaving the past behind and thinking of the future. Therefore, it is not a bad idea to ponder the possibility of a future coup d'etat.

Then his face hardens, and although he says that no one can guarantee the future, he rejects the notion that the Armed Forces would try to go against the constitutional order: "I will tell you right now: Disrupting the constitutional order in the Argentine Republic is definitely a thing of the past. We cannot reconstruct the past, but we can learn lessons from it and prevent the mistakes of the past from being repeated in the future. Argentina will never again see disruptions of the constitutional order. Not because of General Balza, but because the Armed Forces, the Security Forces, and Argentine society have incorporated that idea into their culture."

Now, he says, the Armed Forces' relations with the president are characterized by absolute cordiality and mutual respect.

General Balza could not fail to mention public order and the Argentine experience with violent urban guerrillas, the Montoneros of the 1970's.

"In the past, the country was the victim of a notorious aggression, and those were very painful years. This problem overwhelmed Argentine society, which did not support those who were threatening national values."

In view of his country's experience, the commander of the Army believes that it is possible to defeat unprincipled guerrillas. "It is my hope that fellow nations, in this case Colombia, can overcome this phenomenon."

Illegal Radio, TV Stations Shut Down

PY2804195194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1236 GMT 28 Apr 94

[Text] Cordoba, 28 Apr (NA)—Local Federal Police detachment personnel have closed down two FM radio stations and two unlicensed television stations, and arrested Justicialist Party militant Luis Vanni for "resisting law-enforcement officers."

The Federal Police acted in compliance with a Federal Court warrant issued in light of a complaint filed by national telecommunications officials because the pirate stations were interfering with legal radio and television stations.

Luis Vanni is a controversial individual and the leader of the so-called "Vanni brigades" which have been involved in strange political events during elections.

As the federal agents closed down the illegal stations, they found Vanni at his private residence in Arguello district from where he operated these neighborhood media. Vanni tried to stop the officers from closing down the stations and had to be subdued.

He was arrested and taken to the local Federal Police station, charged with resisting law-enforcement officers. He was turned over to Federal Judge Raul Bustos Fierro.

Former Rebel Denies Arsenal Case Links

PY2804124294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1110 GMT 27 Apr 94

[Text] Buenos Aires, 27 Apr (NA)—Colonel Mohamed Ali Seineldin [the rebel leader of the 3 December 1990 military uprising] has "categorically" denied that the arsenal found on an island in the Tigre District belongs to the "Painted Faces" former rebel Army group. He flatly denied that an "operation" was being prepared on the island to liberate him from the Magdalena prison.

Seineldin's spokesman Santiago Cahil conveyed the former rebel leader's position to NOTICIAS ARGENTINAS, explaining that Seineldin characterized the report as "absurd and outrageous, totally lacking substance."

Cahil was the Justicialist Party mayor of the town of Moron between 1993 and 1994. He said that Seineldin considers the theory that the arsenal discovered by the Buenos Aires police belongs to the "Painted Faces" to be "an aberration" that merely illustrates the existence of "an evil service that seeks to besmirch the Army."

"To say that the 'Painted Faces' have anything to do with this arsenal is a totally absurd and outrageous aberration. Seineldin told me that when he learned what was being said he did not whether to laugh or cry," the former Moron mayor said.

The spokesman for the rebel leader of the 3 December 1990 uprising said: "All of them—Colonel Seineldin and his comrades who are serving sentences with him—have accepted their situation and decided not to leave (prison) through force. They never planned or even conceived anything like this."

According to Cahil, Seineldin said: "Some groups are determined to besmirch" his "name" and "the Army." Seineldin added that "without doubt an evil service is involved in this."

"No one in his right mind would ever believe (the painted faced rebels) built a training camp with a heliport in the delta, which is open to everyone," Cahil said.

The former mayor added that Seineldin categorically rejected the idea that an operation was being prepared in the island to liberate him, adding that all remarks on those lines are "groundless."

Trotskyist Electoral Alliance Disbanded

PY2804143294 Buenos Aires PAGINA/12 in Spanish 27 Apr 94 p 6

[Excerpts] "The Socialist Left Front [FIS] electoral alliance was disbanded on 10 April. We will continue to work together on the agreed tasks, but as a front, it is disbanded." With these words, a spokeswoman of the Movement Toward Socialism (MAS) signed the death certificate for the front that groups Trotskyist leaning parties. The other two groups that made up the front—the Socialist Movement of the Workers (MST), headed by Luis Zamora, and the Workers Party (PO), headed by Jorge Altamirano—have decided to act jointly. As a first measure, on 1 May at 1500 there will be a commemoration of Labor Day at the Plaza de Mayo. The MAS will hold its own commemoration at the Boxing Federation. [passage omitted]

Thus, the Trotskyist alliance ends following its poor performance in the 10 April elections. It had been born in February. At the national level, the Trotskyists lost 31,000 votes compared with the results they obtained in

October 1993, with a large loss in the Federal Capital and especially in Greater Buenos Aires. In these two districts "the wave rolled toward the Grand Front and we could do nothing," a spokesperson acknowledged on 26 April, "but in the provinces of Jujuy, Neuquen, Salta, Santiago del Estero, and especially in Santa Cruz we increased our vote. There were workers' struggles in those provinces and it is no coincidence that we had better results there." In Santa Cruz Province the FIS obtained two seats in the Constituent Assembly, the only seats that it was able to gain in the whole country.

Bolivia

President Orders Mobilization To Clear Roadblocks

PY2904005394 Madrid EFE in Spanish 1819 GMT 28 Apr 94

[Text] La Paz, 28 Apr (EFE)—Bolivian President Gonzalo Sanchez de Lozada has ordered military troops to the streets and national highways to control public order and guarantee free transit, in view of possible road blockades by peasants.

The Bolivian Labor Federation (COB) has urged peasants to block roads, highways, and railroad tracks as of today to increase pressure on the government to yield to their salary demands.

Bolivian main cities were today under military control, while several military units were patrolling highways to stop peasants from complying with the COB appeal.

Although the government has expressed its willingness to negotiate with union leaders, it has warned that it is very difficult to amend the budget law which provides for an 8 percent salary increase because "there is no flexibility in the allotment of resources."

Military and police officials have reported that all roads were cleared during the first 12 hours of the day; but they admitted that several roadblocks were set up at different locations.

However, Radio Fides in La Paz reported that peasants have complied with the COB instructions to block roads and railroad tracks.

Peasant Leader Juan de La Curz Villca asserted that about 30,000 members of the coca leaf farmers union in the El Chapare region have set up roadblocks on the main highway linking Cochabamba and Santa Cruz.

Villca warned that the producers of coca leaves, a traditional product for Bolivian indigenous groups that is also the basic ingredient for manufacturing cocaine, have reported "they will not lift the roadblocks, not even under machine gun fire."

Union leader David Herrada asked the members of the Armed Forces and the police to join the blockade in Cochabamba. He said: "If we take another piece out of this neoliberal government it will also benefit the police and the Armed Forces, who also have low salaries, like the workers."

The prefect (governor) of Chuquisaca, Omar Montalvo, confirmed that the military unit patrolling Sucre and the access roads will break up any demonstration and prevent any road blockade.

A Sucre radio station reported that about 3,000 peasants closed roads in five of the 10 districts of Chuquisaca.

In addition some buses going to Potosi had problems in arriving in that city due to the blockades set up by the peasants.

Several military units have been deployed to other regions of the southern part of the country, where roads and railroad tracks were closed.

The FIDES news agency reported that in Camargo, in the southern part of the country, about 500 peasants prevented about 100 cargo and passenger vehicles from passing, and that because of this a two-year-old girl "died from the very cold weather early this morning."

Some cargo and bus companies have suspended services while the strike ordered by the COB continues.

Despite the tense situation created by the presence of military troops on the streets and the road blockades, government officials and COB leaders are holding talks behind closed doors in an effort to find a solution to the crisis.

The appeal made by the COB to the Catholic Church to mediate in the conflict was rejected by Apostolic Nuncio Giovanni Tonnucci, who said that the church cannot mediate "among people who turn a deaf ear to dialogue."

Demonstrations 'Violently Dispersed'

PA2904005594 Hamburg DPA in Spanish 2103 GMT 28 Apr 94

[Text] La Paz, 28 Apr (DPA)—Despite a strong police and military presence in Bolivian cities since early this morning, demonstrations were held in several cities but were violently dispersed. Meanwhile, surveys taken by several La Paz radio stations regarding the social situation indicate that most urban residents are asking for a state of siege "once and for all."

Lupe Cajis, the president of the La Paz Journalist Association, told DPA that "the people are clamoring for a state of siege." People called the radio stations to decry the acts of vandalism by the demonstrators, who—according to the radio stations' listeners—loot and destroy everything in their path as they flee from the police tear gas.

The authorities used tear gas today to disperse several attempts by the workers to gather at different points of

La Paz. "We are virtually living under a state of siege, the only thing missing is an official declaration," a top opposition leader said.

The state of emergency measure was expected tonight, but the government of Gonzalo Sanchez de Lozada decided at the last moment not to implement it. Incidents of abuse by the men in uniform against civilians not participating in the demonstrations have been reported. Soldiers and policemen were deployed in Bolivian cities in the early morning hours to prevent workers rallies and demonstrations.

The Bolivian Labor Federation (COB) has been on an indefinite general strike since 15 April demanding a wage increase above the 8 percent included in the general budget approved last week. Several observers agree that the moderate COB leaders have been overrun by extremists.

Troops Move To Prevent Roadblocks

PA2904011494 Paris AFP in Spanish 1602 GMT 28 Apr 94

[Text] La Paz, 28 Apr (AFP)—The authorities have reported that Armed Forces troops moved on Thursday to prevent striking peasants and teachers from establishing roadblocks on highways and railroads across Bolivia. The strikers are demanding salary increases.

Some observers say the tense situation has submerged the nation in a kind of semi state of siege. This forced President Gonzalo Sanchez de Lozada's government to deploy some 30,000 troops, who were ordered to act decisively to maintain peace.

First official reports indicate that the worst conflicts occurred in Santa Cruz Department, in the east. Peasant union demonstrators tried to block the railroads leading to Argentina and Brazil, and the highways that join that tropical city with Angostura and Chapare.

A police source said there is still no official word on arrests or other incidents. The source said security forces cleared the expressways of rocks and logs the strikers placed across them to pressure the government into accepting their demands. Another roadblock was removed from the highway that connects La Paz with the mountain regions of Oruro.

The authorities reported that the flow of traffic in and out of La Paz and the rest of the country is normal, according to a responsible source, who said the troops maintain control at points where strikers were trying to erect roadblocks.

In La Paz, police patrolling was doubled in view of the threat by 10,000 peasants to stage a march on the city to protest the government's refusal to grant their wage demands, which have been capitalized on by the Bolivian Labor Federation with a 24-day strike.

The conflict worsened last Friday after one of the street protests degenerated into disturbances with rock throwing and looting of businesses and vehicles, resulting in tens of persons injured and 27 arrested. Also, on Sunday and Monday the police forced a dozen hunger strikers to suspend their 20-day strike and admitted them to clinics for medical attention.

Although the chief of state had warned a few days ago that if the situation worsened the government might be forced to impose a state of siege, some analysts believe that the labor and opposition pressure appears to want to force Sanchez de Lozada into adopting that extreme measure.

The Catholic Church, whose mediation was requested by COB leaders, voiced "its exasperation" in view of the "deafness" of the labor leaders and government to find a solution to the conflict. "If there are two deaf people, who want to speak, the church cannot be in the middle screaming," Apostolic Nuncio Giovanni Tonucci remarked, saying that there was no room for dialogue. "If there is deafness on both sides, it seems to be that it is futile and ridiculous to ask the church to mediate," he said.

Opposition Criticizes Troop Movement

PA2904011994 Hamburg DPA in Spanish 2146 GMT 28 Apr 94

[Text] La Paz, 28 Apr (DPA)—While the Bolivian Government ruled out the possibility of decreeing the use of force to neutralize the growing wave of protests by workers, who are demanding wage raises, opposition congressmen today interpreted the movement of military troops as a "virtual state of siege."

Hugo Carvajal, deputy and leader of the Movement of the Revolutionary Left (MIR), said the troop movement is a measure "to intimidate citizens and prevent democratic demonstrations against the government's economic programs. He said that the government is desperate to apply measures such as the capitalization and popular participation plan, which together with the general budget, are not to the citizens' liking. Carvajal maintains that the government is wrong to think that it should apply the parliamentary-majority steamroller, without reaching a minimum of consensus or engaging in constructive dialogue.

On his part, Eduardo Paz, a Conscience of the Fatherland (Condepa) congressman, said that Sanchez de Lozada is governing with a stick in his hand, not only "hitting at the stomachs of the poor," but also "repressing their democracy." He said that the government is attempting to scare the people, making military troops go out on the streets to face workers and provoke "hours and days of bloodshed and mourning."

Meanwhile, Fernando Kieffer, a Nationalist Democratic Action (ADN) Party deputy, said the government of President Gonzalo Sanchez de Lozada "adopted the easiest way to intimidate union leaders and repress workers." He noted that the Executive Branch "is acting illegally in dispersing workers, who were on a peaceful

hunger strike, and ordering military troops to go out on the streets without declaring a state of siege."

Troops Patrol Streets in La Paz

PA2904012594 Paris AFP in Spanish 1300 GMT 28 Apr 94

[Text] La Paz, 28 Apr (AFP)—Since dawn today, Bolivian Army troops have been patrolling the streets of La Paz, the seat of the government, as well as interstate highways throughout the country to maintain public order and to prevent roadblocks by peasant union members and rural teachers.

Social Communications Minister Ernesto Machicao has said the government of Gonzalo Sanchez de Lozada yesterday announced the deployment of 30,000 men, including military agents and policemen, to urban and rural communities to guarantee "free movement and security," but he rejected the possibility of eventually implementing a state of siege, "because this is a drastic measure that is not yet necessary."

The government's preventive measures are in response to the tense atmosphere the country has experienced over the past 24 days because of actions by the Bolivian Labor Federation (COB), which is demanding wage increases by declaring a widespread and indefinite strike and a hunger strike by more than 2,000 union leaders throughout the country and by blocking roads, which agricultural sectors were supposed to begin today.

Agricultural leader Felix Santos said about 10,000 peasants from the La Paz high plateau, valley, and subtropical zone will arrive in La Paz today to join the COB activities.

Meanwhile, the COB announced that negotiations with the government will resume today, but executive branch officials warned they will not attend the talks as long as the union does not end its pressure tactics.

Labor Minister Reynaldo Peters criticized the COB's uncompromising position—namely, its demand to increase wages by more than the 8 percent increase in the minimum wage offered by the government—because it "lacks solid foundations, and because it is not stipulated in the annual budget drafted and approved by the government."

Police, Workers Clash in La Paz

PY2904023094 La Paz Television Nacional Network in Spanish 0100 GMT 29 Apr 94

[Excerpts] We are going to start by repeating what we have time and again said here over the past few days: We are going through a tense social situation, which is marked by not entirely successful attempts to set up roadblocks. There is, above all, an atmosphere of uncertainty and insecurity. Workers have clashed with government forces on the streets using the technique of organizing in cell-style picketing groups. There are talks under way aimed at starting negotiations between the government and the Bolivian Labor Federation [COB], but no progress has yet been made in addressing substantive issues. While the situation is not new, it is worrisome just the same.

Violence took hold on the streets of La Paz this afternoon. Union leaders, policemen, and even common criminals participated in acts of violence.

The COB rally scheduled for this afternoon in San Francisco Square was not held. Police took positions over the entire city of La Paz, and prevented every form of street protest. As soon as a group of workers began to convene, police were already dispersing them.

Demonstrators moved toward the northern part of the city, where they continued to fight police personnel. Dozens of people were arrested.

The situation was altogether different at the Lima police precinct. There the ones who were surrounded were the policemen. The actions there were in no way related to the COB social struggle, let alone with the struggle waged by the unions of rural and urban teachers, who in recent times have often taken to the streets of La Paz. In this case, common criminals surrounded the Lima precinct to release their fellow criminals who were being held at the precinct. [passage omitted]

The criminals managed to open the cell, but there was only one prisoner there. Their next move was to try to hang the policemen, who locked themselves up in the precinct office. [passage omitted]

Finally, reinforcements managed to rescue the Lima precinct police personnel.

Disturbances in La Paz continued until very late. The demonstrators damaged several buses. You are now watching a clip of (Higuino Square), where the police dispersed one of the many groups of demonstrators and cleared the street for traffic.

No one was spared from the acts of violence on Peru Avenue, not even reporters. Three journalists and a press car were attacked this afternoon by rural teachers on Peru Avenue, where window panes were shattered and the windshields of cars and buses were broken. [passage omitted]

This time the demonstrators acted in small groups, giving no quarter to police. The clip you are watching took place near the court house, where the air was filled with tear gas. In the meantime, the last eight people still under arrest for breaking windshields and windows during the rural teachers demonstration on 22 April requested that the Fourth Criminal Court judge set them free during a habeas corpus hearing. Judge Lidia Molina upheld their request, and ordered that they all be released. [passage omitted]

The rural teachers have announced that they will file another habeas corpus petition to obtain the release of those arrested this afternoon.

Government, COB Differ on Crisis Reasons

PY2904030394 La Paz Television Nacional Network in Spanish 0100 GMT 29 Apr 94

[Text] The meeting between the COB [Bolivian Labor Federation] and the government is being held openly, in the presence of reporters, at the Labor Ministry. The real negotiations have not yet begun. Let us listen to the positions of the two parties. First, Carlos Camargo of the COB:

[Begin Camargo recording] The COB has made a national proposal, and has been patiently waiting, without putting on any pressure, in the hope that the government would reply in a positive manner. This is an attitude that shows the willingness of the COB to talk. We did not implement measures first, and them submit the COB proposal. I would also like to point out before the public that in the case of La Paz, where regrettable events took place this afternoon, there was no provocation from the workers. The provocation came from the government, the police, and the Armed Forces. [end recording]

Let us listen now to the government representative, Human Development Minister Enrique Ipina:

[Begin Ipina recording] The government does not accept, and will not accept, the formal resumption of talks if there is no constructive and positive spirit for lifting the coercive measures. We reiterate the terms of our letter of 24 April, and expect from the COB, the lifting of all coercive measures without exception, as an essential condition, as absolutely necessary, for contributing to social peace and demonstrating to the world that Bolivians can understand each other without threats of any kind. We believe, we are convinced, that we need the lifting of all coercive measures, without exception, as a prior condition. [end recording]

Peasants: Road Blockade 'True Success'

PY2904030994 La Paz Radio Fides Network in Spanish 0130 GMT 29 Apr 94

[Text] According to Peasant Leader Juan de la Cruz Villca, 50 roadblocks have been established nationwide. Contrary to the government's assessment, peasants have indicated that the road blockade was a true success on its first day.

[Begin Villca recording, in progress] ...we have information on hand about 50 roadblocks. This means that over 150,000 fellow peasants are taking part in this nationwide mobilization. Moreover, the military have been mobilized all over.

The main road blocks that have been set up are: in Santa Cruz Department: Angostura, Sevaruyo, Yapayapa, Ivirganzama, Bulu Bulu; (Chifarsama), near Tropico Cochabamba; in Cochabamba Department: (Parautani), the entire highway; in Oruro Deparment: Caracollo. From (?Cruce Machamarca) we have reports that despite the presence of tanks, one of which turned over while transporting soldiers, fellow peasants have established roadblocks along the entire highway.

Peasants have also established roadblocks in Potosi Department, near (Ipalla), near Tarija. Moreover, fellow peasants from Chuquisaca have been established on all local roads.

This is why we are saying that the rejection of the government's intention to commercialize land has been truly successful. [end recording]

Peasants and Army personnel this afternoon engaged in a violent clash in Chapare Region, Cochabamba Department. Desiderio Choque, leader of the United Central Federation [Federacion Central Unidas] reported that no serious injuries were reported among peasants, and that despite the clash, the roadblocks have not been lifted.

[Begin Choque recording, in progress] ...today there was a regrettable clash when we were staging a nationwide road blockade in compliance with instructions put forth by the National Confederation of Bolivian Peasant Workers.

This incident occurred at 2130 GMT. The clash lasted 30 minutes. It ended at 2200 GMT. However, our fellow peasants are stronger than ever, and we are continuing with the road blockades, that is, the roadblocks have not been lifted. [end recording]

Minister: Road Blockade 'Failed'

PY2904034794 La Paz Radio Fides Network in Spanish 0130 GMT 29 Apr 94

[Text] According to government officials, today's road blockade has failed. Social Communications Minister Ernesto Machicado said that roadblocks were set up only in some parts of the country:

[Begin Machicado recording] Our overall impression is that as a whole, the 10 national highways were not cut off by roadblocks.

However, I am now going to itemize the roadblocks that were set up along specific points of the highways. This morning I reported that a roadblock was set up in (Puentevilla), in the Yungas region. This roadblock lasted all day long.

Roadblocks were set up all morning on the railroad tracks in Oruro Department. Railroad tracks were also blockaded nearby Vilavila. A roadblock was set up in Villa Tunari, in Cochabamba Department. However, it is important to note that this part of the highway is being repaired, because it was damaged. Therefore, a few days ago National Road Service closed transit through this highway. Therefore, this roadblock did not have any impact whatsoever on traffic.

In Santa Cruz Department, roadblocks were set up in (Pomarapa) during the morning; and also in La Angostura up to 2100 GMT.

In Chuquisaca Department, roadblocks were set up all day long in Luis Calvo Province, in (?Monteburro) and Muyupampa.

As we have already reported, in Potosi Department roadblocks were set up at the (Cruce de Machas) intersection and (?Petanzos). Both of these roadblocks were dispersed this afternoon.

In Tarija Department, all (?streets) were blocked throughout the morning. These are specific areas.

As I reported beforehand, if we review the situation of roads nationwide, we can conclude there was no generalized blockade of national highways. [end recording]

Social Communications Minister on Crisis

PY2904135894 La Paz Television Nacional Network in Spanish 1100 GMT 29 Apr 94

[Text] After releasing a detailed report on the regrettable incidents that were reported on 28 April, Social Communications Minister Ernesto Machicado asked the Bolivian Labor Federation [COB] leaders to overcome these attitudes that cause so much damage to the Bolivian family.

These images clearly indicate what happened in the city of La Paz on 28 April following the COB-sponsored workers mobilizations.

Without attributing responsibility to either side, and merely viewing the responsibility of the authorities in handling the situation the best way possible, Social Communications Minister Ernesto Machicado regretted the incidents at Government House. He singled out these attitudes that caused these extremely serious criminal actions against private property and individuals. Machicado also asked the COB leaders to ponder and overcome these attitudes, which, on occasions like this, are used by some criminal sectors.

[Begin Machicado recording] For example, what happened here at Government House, is (?extremely regrettable). The fact that a journalist from Radio Nueva America has been injured by a stone thrown by someone is extremely regrettable.

I, the social communications minister, who has permanent ties with the media, did not expect this to happen, particularly to someone who was doing her job.

[Words indistinct] and journalist [name indistinct] was hit by a stone. It is very regrettable that the police [words indistinct] and seriously injured.

Following the destruction and the fires, the three detainees who had been detained on the streets for common law offense escaped. They fled and the police [words indistinct]. About 10 vehicles were destroyed [words indistinct]. I was close by and [words indistinct]. This is very unpleasant information.

Both the labor minister and the human development minister repeatedly asked not to include special measures in the talks [with the COB]. There were no special measures. The events have shown that this is not merely a whim because the government has no reason to be whimsical.

We merely sought to [words indistinct] for the talks to be fruitful because [words indistinct] on the one hand, they implement pressure measures, and, on the other hand, they participate in talks [words indistinct]. This shows a contradiction in terms: To be a friend and to not be a friend at the same time. [end recording]

COB Asks Government To Avoid Bloodshed

PY2904140494 La Paz Television Nacional Network in Spanish 1125 GMT 29 Apr 94

[Report over video showing soldiers patrolling downtown La Paz, includes video statements of Bolivian Labor Federation, COB leaders Vladimir Terceros and Oscar Salas identified by screen captions—recorded]

[Text] [Unidentified reporter] Several COB leaders have lamented the administration's decision to order police and military forces to take action against the demonstrators throughout the country to prevent road blocks and street marches. Vladimir Terceros, one of the leaders, stated that the workers have the right to stage demonstrations in order to get the government to pay more attention to their demands.

[Terceros] As we see it, the workers are taking steps to compel the administration to heed their requests. Meanwhile the peasants are also on the move and will stage their own demonstrations because we believe that in a state of law we are entitled to express our opinions and positions, especially since we are enjoying a democracy which is an achievement of Bolivian workers and people, not of the individuals who now claim credit for it without having done anything to bring it about.

[Reporter] COB Executive Secretary Oscar Salas asked the government not to pit police and military forces against the workers and to prevent bloodshed.

[Salas] The Army must not be pitted at the people, nor should it be allowed to become an instrument of repression of the people. We are asking the Army not to do this.

[Reporter] The union leaders are perfectly aware of all the problems that the demonstrations can cause, but they also know that the workers need a sizable salary hike.

Government Inflexibility Blamed for Crisis

PY2904034194 La Paz Television Nacional Network in Spanish 0100 GMT 29 Apr 94

[Commentary by announcer Carlos Mesa]

[Text] As you saw in this newscast, the situation is not improving. On the contrary, the situation is getting worse, in an environment of uncertainty, in the clashes in the main cities and on the roads of the country.

The government has not implemented a state of siege, but it is at an intermediate point, as putting troops on the streets already illustrates the concern and inability of the police to take complete control of the situation. I would not say there is internal commotion, but the situation is reaching worrisome levels.

The experience suffered by our colleague Cathia Rodriguez, which you saw at the beginning of this newscast, was risky for her personal safety because of the actions of common criminals, thugs, who tried to lynch the policemen who were working in an office in La Paz. This event shows that the situation is beginning to get out of hand. I don't want to be an alarmist, but this is worrisome. I believe there is little flexibility from the government over negotiations that could provide some option, some solution.

The Bolivian Labor Federation says it will not negotiate under current conditions. The pressures are increasing, and the government is beginning to face reality. It is up against the wall, although paradoxically it holds the power. It opposes the state of siege, but this could be a way out. But if the overall situation is one of uncertainty and permanent confrontation, the government will not achieve its goals. Deputy Ferrufino clearly said: We are worried because of our impossibility of resolving the problems.

It is time for the government to realize that the discovery of a solution is in its hands, and this depends on a minimum of flexibility, which we believe it lacks.

DEA Agents Caught in Road Blockade Freed

PY2904141494 La Paz Radio Fides Network in Spanish 1100 GMT 29 Apr 94

[Interview with Cochabamba tropical region peasant leader Evo Morales by Jaime Murillo in El Chapare—live]

[Text] [Murillo] We are talking with peasant leader Evo Morales. Can you tell us what is going on in Villa Tunari? We heard that many people are worried because traffic to Santa Cruz has been interrupted.

[Morales] Yes, since 0200 yesterday all national roads have been blocked. It is true that traffic to many places, that is to Santa Cruz or San Pedro de Cochabamba, has been interrupted. Within this framework, I heard that the [word indistinct] passengers are holding Villa Tunari mayor, who belongs to the MNR [Nationalist Revplutionary Movement] hostage in demand for a solution to this problem, that is, they are helping him find a solution. [as heard]

Evidently other people, including women and children, are worried about this. We are seeking a solution to the problem of people who must urgently travel to Santa Cruz and Cochabamba.

[Murillo] We havr heard that some pregnant women are not receiving medical attention in the Villa Tunari health units.

[Morales] This is totally false. We are the ones who are making the medical attention possible. Fortunately, the doctor of Villa Tunari is my friend. He attended me after I was attacked by Umopar [Mobile Police Unit for Rural Areas] agents in 1989. He is a great friend of mine and therefore he is giving medical attention in the most direct and practical manner in the area.

[Murillo] Will traffic be opened for people who have an emergency?

[Morales] We are authorizing transshipments to Santa Cruz and Cochabamba, but nothing more can be done. Yesterday it was still possible to travel because the Cochabamba-Villa Tunari road was not blocked. Blockades began last night. [words indistinct] There are some drivers who want to continue with their personal business rather than to protect the lives of women and children and they are trying to discredit and force the lifting of road blockades.

[Murillo] What is the situation now in tropical Cochabamba region? We understand there are 20 injured individuals as consequence of a clash that took place yesterday.

[Morales] I have heard nothing from Bulu Bulu and Ivirganzama. However, there was a clash in Sinaota at about 1700 or 1800 yesterday when the Sole Federation of United Centrals and the Sinaota people began blocking the roads. Two U.S. DEA vehicles were stopped. They were carrying DEA members, that is, gringos. They asked for reinforcements to recover their freedom. Umopar agents came to help them and the DEA agents were freed. The road blockade was later reinstated in Sinaota. I have no information about injured people. In Villa Tunari, the Federation of Tropical Region Peasants is totally optimistic regarding the road blockades. They are proud and have stamina to continue imposing the road blockade. We will meet at 0800 to plan and organize many more actions. We will establish shifts to guarantee the road blockade. [end recording]

Military Troops Prevent Oruro Blockades

PY2904150394 La Paz Radio Fides Network in Spanish 1100 GMT 29 Apr 94

[Report by Felix Salazar in Oruro]

[Text] Heavily armed military troops have prevented several attempts by peasants and rural teachers to block roads. Traffic on the Oruro-La Paz road was maintained

although the flow dropped considerably because bus drivers suspended services to safeguard their buses.

In Caracollo, 37 km from Oruro, peasants and students were prevented from blocking the road toward the south. After being briefly blocked, a military presence now guarantees the free flow of traffic.

Peasants blocked the Oruro-Cochabamba road, suspending all traffic. The traffic police have reported that the peasants broke the windshields of three buses and demanded money to let them pass. It has been announced that inter-department bus services will be totally normalized today.

While there was military presence on the roads yesterday, the situation in the cities was totally calm, contrary to previous days when many demonstrations were held.

Railway services are working normally but under military custody. Yesterday peasants had to lift their blockade in Banderani and Cona Cona stations on the Oruro-Cochabamba railway stretch due to the presence of military troops.

The national railway service operations manager reported that services are being provided normally, although every train is guarded by military troops.

Private school classes were suspended today for 24-hours as determined by the Private School Teachers Association in support for the urban teachers' demands.

Brazil

Stricter Rules for Origin Certificates Proposed

PY2804133894 Sao Paulo GAZETA MERCANTIL in Portuguese 26 Apr 94 p 1

[Article by Cynthia Malta]

[Excerpt] [passage omitted] Brazil is proposing to its Common Market of the South [Mercosur] partners—Argentina, Paraguay, and Uruguay—the establishment of stricter rules for certificates of origin. These rules would go into effect in 1995, by which time the four countries will be exchanging products without charging customs fees. The current rules contemplate a minimum national content of 50 percent in each product, with the possibility that the tariff may be changed. Ambassador Paulo Nogueira Batista, the Brazilian representative before the Latin American Integration Association [ALADI] in Montevideo, has said that Brazil proposes increasing this percentage to 75 percent and demands that product classifications be modified. He said that if it is not possible to enforce stricter rules, the trade of vehicles within the Mercosur would continue via import quotas, even after January 1995.

The Brazilian Government may begin to negotiate a bilateral free trade agreement for the implementation of the South American Free Trade Area [SAFTA] without affecting its trade within Mercosur. Ambassador Nogueira Batista pointed out that the Asuncion Treaty, which created the Mercosur, allows this initiative. Interested countries can present exception lists on which certain products would be protected by higher tariffs. The remaining products would have zero tariffs for 10 years as of January 1995. Jorge Campbell, Argentine secretary for international economic relations, has reservations about the negotiation of accords to create SAFTA. He said: "The countries that negotiate these accords will have access to an agreement which took us a long time to negotiate."

INCB Member Urges Compliance With Drug Treaty

PY2804145694 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Apr 94 p A15

[Article by Stella Galvao]

[Text] Doctor Elisaldo de Araujo Carlini is the first Brazilian to occupy a seat on the famous INCB [International Narcotics Control Board]. This organization, which controls narcotics and psychotropic drugs worldwide, is linked to the United Nations. Carlini was chosen on 19 April during the third round of elections and was appointed World Health Organization representative at the INCB. He disputed the position with representatives of the PRC and the Philippines. He will be installed in Vienna during the second half of the year.

Carlini has a well-defined line of action and wants to urge Brazil to comply with the international treaty terms that force countries to report on their production, import, and consumption of drugs that affect the brain and create addiction, such as morphine byproducts and psychotropic substances. Carlini criticized: "For three years, Brazil has been sending incomplete reports to the INCB or not sending reports at all." Brazil has never before been represented on the INCB (which comprises 13 members with 5-year mandates), but has signed the 1961 and 1971 conventions that establish rules to control drug circulation worldwide.

Carlini said: "I will press the Board to adopt a firmer position regarding Brazil." Carlini is a psychopharmacist and a professor at the Sao Paulo Medical School. He founded the Brazilian Center for Information on Psychotropic Drugs and has published nearly 200 papers on controlled drugs.

Congress Committee Acquits Deputy Ricardo Fiuza

PY2804182094 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 28 Apr 94

[Excerpts] By 30 votes to 22, with 2 abstentions, the Constitution and Justice Committee [CCJ] of the Chamber of Deputies has just acquitted Deputy Ricardo Fiuza of the PFL [Liberal Front Party] Pernambuco, from charges of being involved in the budget scandal. [passage omitted]

Fiuza's acquittal has yet to be confirmed by the Chamber of Deputies plenary.

The Attorney General's Office press secretary has reported that the attorney general will file charges against Deputy Ricardo Fiuza before the Federal Supreme Court for forgery of documents when he added amendments to the 1992 Budget Bill after it was approved by Congress.

Roundup of Economic Reports

PY2804165194

[Editorial Report] The following is a compilation of reports on economic activities monitored through 28 April:

Telebras, Brazilian Telecommunications, Inc., has opened the social capital of its state subsidiaries expecting to make $260 million this year. This was announced yesterday when the company announced its 1993 balance which showed a $1.143 billion net profit. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Apr 93 p B7)

Yesterday, the government reduced the import duty on 17 products to 2 percent. Economic Policy Secretary Winston Fritsch said the objective is to warn national industry from committing price abuses. The products are soluble coffee; soft drinks; beer; cheese and milk byproducts; sugar; tire tubes for cars and trucks; tires for cars, trucks, and tractors; car generators and dynamos; disc plows; lampblack; ceramic bathroom parts; shaving machines; shaving cream; razor blades; oil; olives; and seeds and plants. Import duty on aluminum cans and condoms were reduced to zero. (Sao Paulo GAZETA MERCANTIL in Portuguese 21 Apr 94)

Central Bank net dollar purchases totaled $1.7 billion in March, while international cash reserves grew by $1.4 billion in February, to reach $30.5 billion. At the end of January, cash reserves stood at $29.1 billion. Liquid reserves, which include medium and long-term credits, delayed credits, and provisions for the return of capital, stood at $36.5 billion at the end of February, while at the end of January they stood at $35.4 billion. The Central Bank bulletin states that the slower reserve growth compared to January, when reserves grew by $3.2 billion, was caused by a drop in the exchange operations surplus registered in February. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Apr 94 p B6)

German enterprises control 1,027 enterprises in Brazil. This is equivalent to 12 percent of the 8,567 foreign capital enterprises registered in Brazil. Germans control 65, 47, and 35 percent, respectively, of the car parts, vehicle, and medicine sectors. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Apr 94 p B2)

Yesterday, Citibank Senior Vice President Alcides Amaral said Brazil is again being granted short-term credits. He estimated that so far the country has obtained short-term credits worth $16 billion, especially for financing exports. The flow of short-term credits increased after Brazil began to negotiate its foreign debt. In connection with Brazil's debt to private banks, on the day the debt negotiation was concluded, the country received $352 million. Of this, Citibank provided $220 million. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Apr 94 p B7)

Brazil Space, Nuclear, S&T Notes

94P20672

[Editorial Report] RUSSIAN ENVOY ON TRADE OBSTACLES, SPACE PROJECTS—Russian Ambassador to Brazil Iosif N. Podrazhanets, who recently assumed the post, believes that it will be very difficult to raise the level of commercial trade between the two countries, currently ranging between $300 million and $400 million, the Sao Paulo daily GAZETA MERCANTIL reported in its 31 March-4 April issue. The reasons were cited as threefold: political instability in Russia, which keeps Brazilian investors away; shipping costs, which are higher than in the trade between Brazil and the United States; and a deficiency in providing sufficient stimulus to the space sector. Russia, GAZETA continued, is determined to cooperate with Brazil in creating an infrastructure by supplying technology and equipment for the satellite launch vehicle project. Russia also wants to participate in the Amazon protection and surveillance project, but it lacks the resources to finance equipment sales.

The protocol of intent, signed between Brazil and Russia in December 1993 and intended to increase bilateral trade to $2 billion annually, has not yet "gotten off the ground," according to Ambassador Podrazhanets, due to difficulties in finding the mechanisms necessary to implement the project, particularly resources. "It's difficult to find the right products for that type of trade," he said.

In May or June, Podrazhanets continued, the Russian minister of atomic energy will visit Brazil, and in the ensuing months, a joint economic and commercial commission meeting will be held, during which Russia will discuss its interest in increasing cooperation in the areas of space, energy, and mining.

CUBA SIGNS S&T ACCORDS WITH STATE GOVERNMENTS—An article in the Sao Paulo daily O ESTADO DE SAO PAULO of 22 March announced that the Cuban and Sao Paulo State Governments will begin an S&T exchange program in April that will bring a number of Cuban specialists to Sao Paulo state universities. In the article, Secretary Roberto Muller of the Secretariat of Science, Technology, and Economic Development remarked: "We are particularly interested in the transfer of Cuban technology for the development of research in DNA and genetic engineering for plants." The exchange program is a result of discussions held on 18 March between visiting Cuban Minister of Higher Education Fernando Vecino Alegret and Secretary Muller, University of Campinas (Unicamp) Rector

Carlos Vogt, and Sao Paulo State University (Unesp) Rector Arthur Roquete de Macedo. Secretary Muller further commented that the Sao Paulo state government is also interested in the use of sugarcane waste to generate thermal energy, as well as the mastery of techniques to increase the shelf life of cement. The agreement signed with Cuba was modeled along the lines of the accord signed with the Russian Government, O ESTADO continued. According to Muller, the secretariat is already studying the possibility of bringing in additional researchers, and will shortly be meeting with university rectors to review the situation.

CONSORTIUMS PLAN TELECOMMUNICATIONS SATELLITES LAUNCH—Sao Paulo daily FOLHA DE SAO PAULO reported on 25 March that Brazilian Discount Bank (Bradesco), Odebrecht construction firm, Monteiro Aranha, Victori Internacional, and Globopar, owned by businessman Roberto Marinho, formed an association with the French Matra Marconi Space firm, and established an enterprise called Latin American Satellite Systems Communications (CLASS) for the purpose of launching three privately owned satellites to serve Brazil and neighboring Southern Cone countries. A second consortium, formed by the Itamaraty Group owned by businessman Olacyr de Morais, Splice do Brasil, and the German firm Deutsche Aerospace will compete for the same market acting as an associate and commercial representative of the Argentine Nahuel satellite.

The two consortiums, according to FOLHA, want to compete with the Brazilian Telecommunications Company (Embratel) in data transmission and offer options for new services, particularly in the area of cable television. Both the Nahuel satellite and the three satellites of the CLASS project will operate on the KU band, which is higher than the frequencies of Brasilsat's C band, and will allow TV signals to be picked up by 60-cm parabolic antennas that can even be installed on apartment verandas.

The CLASS project, which will involve investments of $300 million, was announced on 24 March during the Fourth International Telecommunications and Teleinformatics Congress (Telexpo) in Sao Paulo. Victori International Vice President Joao Santelli Junior told FOLHA that the project is only now being made public but has been in planning since 1992. In November 1993, the consortium asked the Ministry of Communications for three orbital positions. On 22 December, former Telecommunications Minister Hugo Napoleao petitioned the UN International Telecommunications Union (UIT) to authorize the orbital space positions, but the UIT has not yet published its decision. If the request is granted, the CLASS project and the Nahuel consortium will still need authorization from the Ministry of Communications.

According to Olacyr de Morais of the Itamaraty Group, the telecommunications market has great potential and several competitors are vying for it. FOLHA reported that that consortium has more ambitious plans than simply shareholder participation in the Argentine Nahuel satellite and intends to launch its own satellite.

Brazilian Communications Minister Djalma Morais remarked that Embratel and the state telephone companies are interested in participating as shareholders in the CLASS project; there may be criticisms from within Embratel ranks, however, of any attempt to launch private satellites. Some Embratel representatives believe that the operation of satellites is part of the state telecommunications monopoly. Communications Minister Morais, however, is of the opinion that the satellites will only provide limited services and therefore will not effect the state's monopoly.

Victori International Vice President Joao Santelli Junior also told FOLHA that the CLASS project intends to launch the first satellite in 1996 and the second in 1997. He said that the KU band satellites will also make it possible to install telephone terminals at an average cost of $3,000 each in remote areas. The current installation cost in remote areas of Brazil is as much as $100,000 per terminal.

CNEN, SCIENTISTS FAVOR QUADRIPARTITE SAFEGUARDS ACCORD—Prior to the 9 February Brazilian Senate's approval of the quadripartite nuclear safeguards agreement (QSA) between Brazil, Argentina, the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials (ABACC), and the International Atomic Energy Agency (IAEA), National Nuclear Energy Commission (CNEN), President Marcio Costa and various scientists commented favorably on the agreement's impending Senate ratification in Sao Paulo O ESTADO DE SAO PAULO of 8 February. O ESTADO began by quoting a press statement made in Rio on 7 February by CNEN President Marcio Costa supporting the Senate's ratification of the QSA which will authorize international inspections of Brazilian nuclear installations. Although he opined that Brazil will lose sovereignty in the nuclear area, the CNEN head said that he was in favor of its ratification in order to avoid retaliations by First World countries. Costa criticized Germany, which had earlier threatened to break the 1975 Brazil-FRG nuclear accord, suspend the transfer of technology, and withdraw support for Brazil obtaining a permanent seat in the UN Security Council. "They pulled off the worst swindle in the country with that technology transfer story."

O ESTADO then went on to quote Ennio Candotti, former president and member of the council of the Brazilian Society for the Progress of Science (SBPC), as saying that Brazil should ratify the quadripartite accord and the Treaty of Tlatelolco. "But it is important," he added, "to extend those agreements to the countries that today hold arsenals of nuclear arms such as the United States, France, Britain, and Germany itself." Candotti then commented on Germany's threats: "I didn't even know that a nuclear accord with Germany was still in effect, so numerous have been the mistakes earmarking

the 1975 treaty that provided for the construction of eight power plants." Furthermore, he added, "a seat on the UN Security Council is not acquired through bartering agreements and disagreements."

Professor Giorgio Moscati, head of the Physics Institute's Experimental Physics Department of the University of Sao Paulo (USP), believes that Brazil should ratify the accords, O ESTADO continued. "There is no reason for the country not to open up for a peaceful program and open itself up to international inspections," he remarked. Then Brazil will, in return, be able to demand that it cease being discriminated against in imports of products that may have a military application, he added. O ESTADO then noted that Professor Ivan Cunha Nascimento, head of the USP Applied Physics Department, is of the same opinion. "The accord should be ratified, simply because Brazil is discriminated against internationally and consequently does not have access to state of the art technology that may have a military application." He further explained that "Brazil is considered a 'sensitive' country abroad for having a nuclear program that is neither known nor inspected."

Colombia

President Asks IMF, World Bank to Reduce Demands

PA2904034394 Santa Fe de Bogota EL TIEMPO in Spanish 19 Apr 94 pp 1A, 1B, 3B

[Report by special correspondent Clara Ines Rueda Gomez]

[Text] Cartagena—Yesterday, President Cesar Gaviria called on the World Bank and the Inter-American Development Bank (IDB) to revise the mechanisms of extending credit and to rescind the conditions imposed on developing nations. "Considerations such as equilibrium, social as well as institutional development, and environmental protection must be key elements in development loans for them to become genuine instruments of economic development," Gaviria indicated. The president made these statements before 65 delegates representing 27 countries at the opening session of the World Bank, IMF Developing Countries Inter-Ministry Committee Forum, or the Group of 24.

According to Gaviria, the formulas used by the international institutions are inadequate for solving the challenges confronted, especially those confronted by African or Latin American nations. These economies demand answers from the developed countries and need assistance to open and modernize.

During the forum, which also commemorates the 50 year anniversary of the Bretton Woods Agreement, Gaviria stated that despite the conclusion of the Uruguay Round of GATT talks, developing nations still face obstacles of protectionism and discriminatory treatment by industrialized countries, as well as poor performance by a large segment of the essential goods market.

According to the president, the IMF and the World Bank must increase their involvement in improving the justice system, controlling the population explosion, and encouraging savings and private investment. In their role as mediators between industrialized and developing nations, these institutions must be more active and must preserve their independence.

In addition, speaking on behalf of his new position as an international leader, the president stated the two international organizations should become more involved in the struggle against poverty and every nation's social policies. "I do not say this based on the rhetoric of North-South cooperation. I say it with the conviction that any progress on issues such as economic aggregates, regardless of what part of the world it takes place, will be fragile and will have political consequences, if not accompanied by an improvement in the standard of living of individual nations," the president indicated. This could be one way to get ahead of the agenda for the next few years when problems such as immigration, lack of natural resources, and demographic pressures will be the order of the day.

New Mission

According to Gaviria, the IMF must not only support efforts to stabilize those economies in crisis, but it should also become more involved in issues like the flow of capital and its impact on investment and growth. With respect to the World Bank and the regional banks, they should provide technical assistance to those countries that have undergone structural adjustments in order to evaluate the effectiveness of policies being implemented and to ensure an adequate balance between the various markets.

According to Gaviria, there are parallels between the situation the world was going through in 1944 (when the IMF and the World Banks were created as result of the Bretton Woods Agreement) and the current situation. "In 1994, the entire world is participating in the in-depth review of the roles played by all nations."

The Debt Crisis

The new OAS secretary highlighted efforts by the World Bank and the IMF during the 1980's to solve the Colombian debt crisis. In his opinion, efforts by the two international organizations enabled his country to solve its debt problem in a unique manner and at the same time achieve the highest growth level in Latin America.

Likewise, Gaviria emphasized the fact that the Worlk Bank had learned to listen to its clients and accept that the best policies are those planned in accordance with each country's own initiative. He also indicated that the IMF's task has allowed some nations to be trusted once again by domestic as well as international markets.

Jamaican Prime Minister Signs Cooperation Accords

PA2804152194 Santa Fe de Bogota EL TIEMPO in Spanish 21 Apr 94 p 8A

[Text] The governments of Colombia and Jamaica signed several tourism, scientific, and technical cooperation agreements yesterday. These are the first steps in the new relations of exchange between the two countries.

On the last day of his three-day visit to Colombia, Jamaican Prime Minister Percival J. Patterson and Colombian President Cesar Gaviria also signed a joint statement. In the statement, the two countries agree to continue developing their relations, aimed at cultivating new areas of bilateral cooperation. Patterson then returned to his country.

The two chiefs of state said the agreements establish an exchange of expertise and information in areas such as agriculture and language education.

During a news conference, Prime Minister Patterson broached the crisis of democracy in Cuba. He said he personally has no expectations about a possible role President Gaviria could play as OAS secretary general in the Cuban issue. He said such decisions arise from a consensus among the member nations. He did say, however, he views the Cuban situation as a priority issue for the regional organization.

Undoubtedly, Cuba's political system is different. There is no reason, then, to exclude Cuba from the family of Western nations," he said. [no opening quotation mark as published] He added he hopes Cuba will soon become a full OAS member because any contribution toward defining the Cuban crisis "should come through cooperation with them and not through their isolation."

Patterson predicted a positive outcome from the current negotiations between Colombia and the Caribbean Common Market (Caricom), of which Jamaica is a member. The talks are aimed at confirming a free trade agreement to be signed in July. He also announced aeronautics officials from the two countries will meet in San Andres at the end of May to complete the final details on an air transportation agreement to promote further development of bilateral relations.

Although Jamaica did not vote for Gaviria for OAS secretary general, Patterson expressed both his congratulations to the Colombian leader and his confidence Gaviria will make "the changes the new international situation and hemispheric problems will require from the organization."

Ecuador

Ω Crime, Human Rights, Unemployment Statistics

94P20695

[Editorial Report] Crime—The Andean Center for Popular Action, (CAAP), reported in the Quito daily HOY of 3 April that from 1982 to the present the country's crime rate has increased by 9.4 percent annually, exceeding the urban growth rate of 4.3 percent per year (since 1974). CAAP believes that one of the main reasons for this spiraling crime rate is the increase in poverty resulting from the economic crisis of the 1980's. Crimes against property increased 20.8 percent and represented 51 percent of the total reported crimes in 1992-93, while crimes against individuals increased 11.6 percent and represented 14 percent of total reported crimes. CAAP also reports that the regional distribution of crime has changed "drastically." For example, population groups most hit by the economic crisis, the poor in large urban areas and in the most "neglected" provinces, now register the highest crime rates. Crime increased at a faster rate in the Amazon region (19 percent), followed by the coast (17 percent), and the highlands (8 percent). The provinces with the largest increases in the crime rate were Esmeraldas (37.9 percent) and Loja (35.1 percent). In absolute terms, however, CAAP reports that Pichincha Province registered the highest crime rate with 12,900 cases per year, followed by Guayas Province with 12,600 cases.

The National Rehabilitation Council reported in Guayaquil EL UNIVERSO of 23 March that, of Ecuador's total prison population of 8,856 distributed among 33 penal institutions, 4,878 are in Guayaquil and Quito. Drug-related crimes constitute 39.3 percent of all crimes for which people are jailed. Crimes against property follow at 27.2 percent. HOY 3 April also reported that the number of people detained for drug-related crimes increased 8 percent in 1993. However, 70 percent of those arrrested were only drug possessors or consumers; drug traffickers were a small percentage of those arrested. Guayas, Pichincha, and El Oro Provinces have the highest incidences of drug-related crimes.

Human Rights—Citing the monthly journal PEOPLE'S RIGHTS, 4 April HOY reported that in 1993 human rights violations increased 65 percent, from 641 reported or detected cases in 1992 to 1,055 in 1993. The same daily also quoted CAAP statistics charging that the police are responsible for 43.9 of all human rights abuses. According to CAAP "authorities, individuals, the military, public functionaries, penal authorities, private employees, and unknown persons" are responsible for the rest of human rights abuses.

Unemployment Rate—The 18 March issue of the Quito daily EL COMERCIO reports that Labor Minister Alfredo Corral said that Ecuador now has one of the highest unemployment rates in Latin America with 14 percent of its economically active population without work and a 50 percent underemployment rate. This was contrasted with 1992 when the unemployment rate was at 8.9 percent. The minister added that unemployment and underemployment were the country's most "pressing" problems, and that the Duran-Ballen administration is committed to carrying out projects that will generate jobs mainly in the "education, health, transportation, and housing sectors."

The same daily observes that the government's modernization program, launched in 1993, has "substantially" reduced employment in the public sector. In 1993, over 26,000 employees "resigned or terminated their employment with the state." It is estimated that a similar number will do the same in 1994.

Edgar Ponce, president of the United Workers Front (FUT), commented to EL COMERCIO that the current unemployment figures put the country on "red alert":
57 percent of unemployed are between the ages of 15 and 24;
47 percent of unemployed are women;
12 percent are heads of households;

Ponce pointed out that "unemployment is a direct route to social upheaval," and it is therefore necessary for government and business to come up with a "responsible, viable, and humanitarian solution to the problem." He noted that past government labor reforms have not brought results, stating that "in 1993, 23,670 workers were dismissed and only 3 percent found other jobs." He also charged that the Labor Ministry's employment program is a "mockery of all workers," since in more than two years it has managed to create only "500 temporary positions."

Paraguay

Finance Minister Addresses World Bank Meeting

PY2804215494 Asuncion ULTIMA HORA in Spanish 27 Apr 94 p 13

[Text] Paraguayan Finance Minister Crispiniano Sandoval urged industrial nations to reduce their protectionist measures and give products exported by the Latin American Southern Cone countries, especially Paraguay, broader access to their markets. The Paraguayan minister launched his call in Washington at the midyear World Bank Development Council meeting, which he addressed on behalf of Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay.

"It is encouraging to find out that the recovery of Anglo-Saxon economies and the signs that mark the beginning of the end to the recession in western Europe will have favorable effects on international markets as far as exports from developing countries are concerned. We are also very pleased and optimistic over the success of the Uruguay Round of the GATT talks, following many years of hard bargaining," Sandoval said.

"We are especially pleased over the agreements reached in the agricultural field, although we would like to stress the need to gradually implement measures aimed at opening up markets while at the same time eliminating distortions caused by subsidies that industrial countries usually grant," Sandoval added.

Sandoval also asked the World Trade Organization [WTO] "to actively guarantee the commitments that have been undertaken to curb the use of unilateral commercial measures, to help resolve disagreements, and to ensure proper cooperation between the WTO and the institutions created at the Bretton Woods Conference. This will allow better use to be made of the new markets, and will pave the way for more precise coordination between commercial and economic policies."

The minister then discussed "the persistent decline in the international prices of our basic products." Because of this situation "our rural population, which is responsible for most of our production, has had to make greater sacrifices and its economic situation has worsened."

Sandoval also spoke about the landlocked situation of both Paraguay and Bolivia, an obstacle which further increases the cost of exports from these countries, and urged "multilateral organizations to give priority treatment to technical and financial support for infrastructure projects aimed at improving regional transport."

Peru

Roundup of Economic Reports

PY2804164494

[Editorial Report] The following is a compilation of reports on economic activities in Peru monitored through 21 April.

The Eximbank of Japan on 13 April reported in Tokyo that it will grant $22.5 million to Peru to finance electricity projects. The agreement was signed during the Inter-American Development Bank annual meeting held in Guadalajara, Mexico. (Lima LA REPUBLICA in Spanish 14 Apr 94 p 2)

The Lima stock market showed an increase of 24.3 percent in the year's first three months, when it traded $948 million compared with the $253.1 million negotiated in the same period in 1993. (Lima EL COMERCIO in Spanish 17 Apr 94 p A16)

The State Petroleum Agency reported that the new oil well in the Pavayacu oil field, 235 km west of Iquitos, will begin operation on 19 April. It will produce 6,000 barrels of oil daily. Oil production went from 1,500 barrels per day in February 1993 to 14,885 barrels in March following the discovery of 11 oil wells in the past 12 months. (Lima EL COMERCIO in Spanish 18 Apr 94 p 1)

Uruguay

Foreign Minister Views Uruguay Round Results

PY2804195394 Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Apr 94 p 11

["Summary" of interview with Foreign Minister Sergio Abreu by Fernando Gutierrez; place and date not given]

[Text] [Gutierrez] What are the results of the Uruguay Round of GATT for our country?

[Abreu] One side of the negotiation that concerns Uruguay has to do with the multilateral issues dealing with tariff reductions. The main impact of this Round was an average 40-percent tariff reduction.

Yet there are two additional very important circumstances. One is that the majority of current nontariff measures will be converted to tariffs. This more clearly shows the protection measures used by each country. The second is that this commercial opening will apply to other items that were previously outside GATT regulations, like textiles, services, and farm products.

In this area Uruguay will benefit from a reduction of farm export subsidies, to be gradually implemented over a six-year period, both in the subsidized volumes (which will be reduced by 21 percent) and in the budget allocations for financing production (which will be reduced by 36 percent). This does not meet all of Uruguay's expectations, but it should be noted that progress was made, especially because the farm sector was included in the negotiations.

The other remarkable fact is that GATT will become a new institution, the World Trade Organization, which will provide the institutional framework to guarantee the fulfillment of the Uruguay Round agreements.

[Gutierrez] Will this new institution be able to prevent big powers from failing to comply with regulations, as happened several times with the GATT?

[Abreu] Yes, because this agreement was signed and will be ratified by Congress, following the standard practice of the majority of democratic countries. This entails a legal certainty that GATT did not have.

This institutional stability will be also reflected in other areas: One is the settlement of controversies. The new system sets forth that the panels in charge of studying controversies will operate automatically, and the deadlines for completion of their work is much tighter than at present.

This is beneficial for less developed countries; like the compensation for the closing of the oilseed market, when we waited eight years for compensation through a new meat quota. With the new system, this case can be resolved in no more than one year.

[Gutierrez] At the final Uruguay Round meeting you said that the progress that has been so far made will be meaningless if the commercial opening is not intensified in the future. Do you think such intensification has a chance?

[Abreu] The Uruguay Round is the conclusion of a consolidation stage for tariff reduction and for the inclusion of new subjects on the agenda. It also entails an effort that will project itself in future negotiation rounds.

[Gutierrez] There is then no danger of the current situation becoming frozen, right?

[Abreu] No, I believe relations will be very dynamic. Continuation of protectionist policies can be harmful for countries that cannot adjust themselves, because of the rapid reaction of competitive levels from other countries. There is not much chance for protectionism. There are chances for transforming the country following the demands of the international market.

[Gutierrez] What will be the negotiating strategy in the future? Will the Cairns Group continue to pressure European countries?

[Abreu] The Cairns Group is having internal problems because concessions were made seeking to divide it and discriminate against countries whose exports are in competition.

The issue will be on the agenda of the Group's next meeting, which will be held in Uruguay.

Concerning Uruguayan strategy, I want to emphasize the significance of our achievements, like the 2,000-ton Hilton quota and the fact that after failing to arrange significant sheep meat sales on the European market, we found other markets like Saudi Arabia, Egypt, or Jordan.

This shows that bilateral negotiations have been positive because they opened and diversified the market.

[Gutierrez] Does that mean that the time has come to emphasize negotiations with nontraditional markets?

[Abreu] Uruguay wants to diversify products and markets. The economy of a country that has a very narrow range of exports is directly affected by price fluctuations.

It is also true that our exporting capacity does not permit too much diversification, but since 45 percent of our exports go to Mercosur [Common Market of the South] and 12 percent to the United States, we must try to avoid dependence. This is a permanent strategy that small countries should implement on a day-to-day basis. Coordination is necessary between the state and the private sector to control the new variables of the international economy.

It is therefore necessary to adopt a different strategy with which we can have some degree of predictability.

Correction to Failure of Constitutional Reform

PY2604185994

The following correction pertains to the item headlined "Failure of Constitutional Reform Analyzed," published in the 26 April Latin America DAILY REPORT, pages 58-59:

Page 58, Column two, last full paragraph, second sentence make read: ...obvious that citizens were not very enthusiastic about this initiative, moreover...(rewording for clarity)

Venezuela

Foreign Minister Interviewed on Post, Issues

PA2604180194 Caracas EL NACIONAL in Spanish 20 Apr 94 pa A-2

[Report on interview with Foreign Minister Miguel Angel Burelli Rivas by Manuel Abrizo; place and date not given—first paragraph is EL NACIONAL introduction]

[Text] Miguel Angel Burelli Rivas has only been able to fulfill his role as foreign minister during the last week of the 10 weeks he has been in his post. He said during the first weeks, he had to deal with the post seekers who want to join the foreign service. The 10 weeks were filled with "little things," like explaining why a passport was issued to former Defense Minister Radames Munoz Leon and explaining to why the appointed ambassadors have yet to travel to their posts. He considers his frustrated attempt as OAS secretary general as a closed case. "I have already said what I had to say."

[Abrizo] And how did you find what they left you?

[Burelli] Fine, in general terms. A gentlemen occupied this post, and the mess I found was not his; it is old and accumulated. The Foreign Ministry is not an exception. The whole country is upside down.

[Abrizo] In 1968, when you were a Tripartite Front presidential candidate, you said, at the Caracas Metropolitan Theater, our diplomacy should be substantially modified because it is inhibited, backward, bogged down by bureaucrats, to give the world an approximate idea of the country. Has the outlook changed since then?

[Burelli] It is even more bogged down now. Since then, foreign service and civil service laws have overlapped, making it impossible for personnel to move about with the necessary freedom. That is one aspect; the other, everyone wants a post abroad, now that officers are paid in dollars. Even the lowest grade officer earns 400,000 bolivares, which is four times my salary. Political influence peddlers seek this refuge. Embassies often have as many as nine times the amount of required staff. I have asked many Caracas officers to collect their pay and not come to work because they only get in the way of those who do work. Therefore, we are like it was 26 years ago. Venezuelan diplomacy is bogged down, and the minister's duties have dwindled to the point of only dealing with the lesser issues, not with what concerns international diplomacy, which should be cared for in the country's best interest.

[Abrizo] You were appointed to solve problems. How will you face the situation?

[Burelli] I am working on it. I am not here to make another entry in my resume because I am too old. I am here to do something, to help President Caldera, who needs not a friend in this post, but a helper who honors the intention of changing the country.

[Abrizo] But a strategy is needed to solve these problems. What is yours?

[Burelli] First, to step on a few toes, and I am willing. I have requested legal help to comprehensively deal with the problem. I am asking directors to utilize the powers the law gives them to dismiss the good-for-nothings. I do not want to be remembered only as the minister who fixed the personnel issue but, rather, as the foreign minister who relaunched Venezuela into the world.

[Abrizo] It so happens we have heard the same speech from previous foreign ministers.

[Burelli] I need to be given a chance. As I was saying, I did not come here to add to my resume. I have been a jack-of-all-trades in this country, and if I cannot do it I will have failed. I have come to leave my mark. What favor would I be doing President Caldera by being just another minister who says silly things he knows he cannot carry out?

[Abrizo] This week, a U.S. official said corruption, bureaucracy, and deprivation block Latin America's progress. How can Venezuela's image be sold abroad when it is afflicted by all this?

[Burelli] Tell me which country does not suffer from at least two of these.

[Abrizo] That is no excuse to....

[Burelli] Seen in that light, there could be no agreement with anyone. Political systems have collapsed in Europe because of corruption. Those countries have existed for two or three thousand years. This is a problem from north and south, east and west. We are attempting to wipe out corruption. Undoubtedly, we have a president who is above reproach.

[Abrizo] The problem are the vultures [zamuros] flying around.

[Burelli] But why do we only see the problem, not looking at who scares away the vultures? Before, there was no one to scare them away, and the vultures were left guarding the meat.

[Abrizo] Many believe the Foreign Ministry's efforts to sell Venezuela's image abroad are mere public relations. Is that a mistake?

[Burelli] It is not a matter of mere public relations. The issue is if we want to sell Venezuela's image abroad, we must first improve our image here. It is impossible to sell something we do not have. What are we going to do if the only thing that prevails here is chaos, discouragement, and contempt for the country?

We can cry out to the world and invite them to come to a fun-loving, investment-safe country, but Caracas television images travel to other countries, and scenes that can unnerve anyone are broadcast. We will be saying one thing, and the media will be saying another. What we are

applauding here are instincts. Venezuela is being associated with the instincts of the worse segment of its population, exactly the way it is not.

We are in a crisis, but we are not penniless. The price of crude may have fallen, but it is still priceless as a resource. We also have gas resources we still have yet to exploit. We have aluminum, the price of which is beginning to rise on the world markets. We have iron, and there is untapped gold, which could be this country's future.

What is missing here is faith in Venezuela's future and unity. There is also a lack of ethics. We must revert to more positive values. The private and public sectors have anticipated getting rich even if it was done the wrong way. The prevailing factor here is a prey and plunder mentality, as if we were living in an occupied and beaten country where everything is booty and we all can get something from somewhere. That is the type of situation we are in, and it is very difficult to rectify.

To Scare the Brazilian Gold Seeker

[Abrizo] It has been argued the powers that be act according to concrete interests, leaving such intangible questions as principles to Third World countries. Do you think we should be more realistic?

[Burelli] I said that before, and I did not cite former British Prime Minister Pitt (William, 1708-78) who said states have interests, not friendships. We basically have interests, which we deal with in accordance to the degree of friendship those interests will allow. We cannot discuss the same question with a distant nation as we do with a neighboring one. We act according to our interests. We are facing the world with such issues as fuel emulsified with water, also known as Orimulsion, dolphins, and Brazilian gold seekers, just to mention four [number as published] cases to which the media have referred. You should find out what has been done regarding those four problems so that you may realize what the country had to do. Had we made the wrong decisions, the media would be full of comments, but because we have made the correct decisions, so far, there is not even one line.

[Abrizo] It seems the solution to the case of the Brazilian gold seekers has been to sow seeds fear along the border so that they will not trespass.

[Burelli] And what do you think should be done? Not even 100 million soldiers would be enough to cover the border. What would you do? Is it bad we scare away the looters who come to threaten our natural resources?

[Abrizo] No.

[Burelli] Then?

[Abrizo] The gold seekers claim insofar as there are no visible borders, there will be problems.

[Burelli] They know better than you and I where the borders are. Why isn't Brazil protesting our bombing of the landing strips? Brazil is very grateful of how we have managed the situation.

[Abrizo] That was a Venezuelan sovereign decision (to bomb the landing strips).

[Burelli] Oh, good. And then? I do not know what we will have to do. We will have to send the archbishop, the cardinal to convince them, to spray them with holy water. It is entirely untrue the gold seekers do not know the borders due to a lack of boundary markers. A meeting between the Brazilian and Venezuelan militaries will be held on 21 April (tomorrow) to outline future courses of action because Venezuela has stopped a second bombing on the condition Brazil destroy the strips on their side of the border. Not even they (gold seekers) believe the story they are unaware where the boundary markers are.

Cuba

[Abrizo] When you were a candidate, you mentioned the need to maintain diplomatic and commercial relations with all countries, despite their ideological trends. Why is Cuba denied bread and water?

[Burelli] We have an embassy in Cuba. We have sold them oil; therefore, we have not denied them bread and water.

[Abrizo] Those are diplomatic formalities.

[Burelli] We might have done for Cuba more than any other nation on this continent. A three-tier system existed with the Soviet Union until recently. We sold oil to Cuba, and in exchange the Soviet Union sold oil for us in Europe.

[Abrizo] But that was merely business.

[Burelli] It was a business that conveyed friendship. It was not just cold business. Even the Venezuelan Government had to pay huge costs due to that.

[Abrizo] Every time the topic of Cuba's reincorporation into the American community is discussed, such questions as liberty, democracy, and human rights emerge. How do you view Cuba's reincorporation into the American community?

[Burelli] It cannot be any other way. We want Cuba's reincorporation into the community, but the community has game rules.

[Abrizo] And do you believe in those game rules?

[Burelli] Yes I do. Freedom of expression is extremely important. There are political prisoners, and I wish that there were no political prisoners anywhere and that all citizens had a passport to be able to enter and leave their country. That is all.

[Abrizo] Do you believe Venezuela has any moral authority to demand compliance with those principles elsewhere?

[Burelli] It has the freedom to allow the people to do anything they want: to write, talk, and say what they want. They have the freedom to demonstrate without the threat of imprisonment. In short, these are the game rules in America.

[Abrizo] Many people in Venezuela would change some of those freedoms for a piece of bread.

Colombia

[Abrizo] When you resigned from the post of Venezuelan ambassador to Colombia, people in Santa Fe de Bogota almost cried over your departure. It was even said you were the best Venezuelan diplomat assigned to that country. Twenty years later, after the Colombian Government refused to vote for you in the OAS, did you feel somewhat hurt?

[Burelli] That means nothing, and you should ask Colombia. What happened was that I was too young and had much strength and fervor. I might not have as much strength now, but I do have the same fervor. I see my friendship with Colombia as a way of serving Venezuela. I cannot imagine a hateful or hostile attitude toward Colombia. Whatever they did to me, whatever they do to me, my interest is for Venezuela and Colombia to march together always. Our industry is already expanding in Colombia, and Venezuela's best interest lies in integration. Colombians regarded me with much sentiment after only four months of living in Santa Fe Bogota because I founded the Andean Pact. The Andean Pact was my brainchild, my blood child, the child of my dreams as a politician. Years after that pact, they wanted to stone me under the argument that the pact constituted an act of treason against Venezuela and that I had sold the Venezuelan market to low-cost foreign labor. Then, the only author of that pact was Miguel Angel Burelli Rivas. The Andean Pact has many authors now, and I am very pleased no one remembers I was its founder.

[Abrizo] Why discuss the revision of relations with Colombia?

[Burelli] We have not discussed a revision. What is happening is that relations that are so close, so energetic, so dynamic need constant changes due to the same divisions they prompt. Each government imparts a more subtle or marked nuance to its foreign policy.

[Abrizo] What is yours?

[Burelli] The one I mentioned. Our priority regarding foreign relations lies with Colombia, Brazil, and the United States. Concerning Colombia, we will bolster relations in all areas. Two cabinet members, the Caracas governor and the development minister, visited Bogota last week. I asked them to convey a message of friendship and integration, which symbolizes Venezuela's attitude toward Colombia.

[Abrizo] Do you believe the problem of delimiting marine waters with Colombia will be solved during this period?

[Burelli] That would be ideal because this is a problem that has substantially hindered both countries' functions in America. Our integration has given us considerable strength. Imagine what we would become had the dispute not cast a shadow upon our relations.

[Abrizo] Do you see a light at the end of the tunnel?

[Burelli] I see neither light nor darkness. I see real situations, and we will handle them as the real situations they are: without sentimentalism or biases. We will try to have a day for agreements that honor both countries during negotiations.

[Abrizo] But that is too abstract.

[Burelli] And what do you want me to tell you? Do you want me to tell you to divide this table into two? First, it was the word, and the word remains the only way to communicate with each other. We have often discussed specific solutions. In a series of solutions that result from a long negotiation, one must choose one of them at some point.

[Abrizo] What is the status of the negotiations?

[Burelli] We have resumed them. No rapprochement had taken place until this government took office, and it has already happened.

Creation of Caribbean States Association Announced

PA2904042294 Madrid EFE in Spanish 1507 GMT 26 Apr 94

[Text] Caracas, 26 Apr (EFE)—Venezuelan Foreign Minister Miguel Angel Burelli has announced the creation of the Association of Caribbean States, which he defined as an important step within the process of regional integration. Burelli, who made the announcement on Monday when he dedicated the Department of Latin America and the Caribbean at the Central University of Venezuela (UCV), explained that the association will include all of the Caribbean states and will begin work on 4 July.

As of 1969 and following the process of independence of the countries forming part of Caribbean Common Market, Venezuela designed an "unchanging policy of lending a hand" to these nations with the sole purpose of serving its neighbors, the foreign minister emphasized. Venezuela is the only country that has 12 embassies and 10 cultural centers in the Caribbean. It also signed the San Jose Pact with Mexico, which supplies petroleum to those nations under special payment conditions. In addition, the government in Caracas has signed a Caribbean

Development Bank exchange program that allows the granting of recoverable lines of credit to the Caribbean countries.

The Venezuelan foreign minister expressed his support for a massive Venezuelan projection into the Caribbean that, with the exception of Trinidad-Tobago and Guyana, is made up of small nations without large resources and with a small population.

President Appoints Central Bank President

PA2904034194 Caracas Venezolana de Television Network in Spanish 0048 GMT 29 Apr 94

[Address to the nation by President Rafael Caldera on the appointment of the new president of the Venezuelan Central Bank on 28 April; place not given—live or recorded]

[Text] I have the satisfaction of delivering to the Venezuelan people news of great national interest. The crisis created following the resignation of Dr. Ruth de Krivoy as president of the Venezuelan Central Bank [BCV] has been admirably overcome. The crisis was resolved in two days and the Senate unanimously ratified the appointment of Dr. Antonio Casas Gonzalez to fill the vacancy caused by Dr. Krivoy's resignation.

Current BCV law establishes that the president of the Republic appoints the BCV president, but this requires a two-thirds Senate vote. Of course, one would think that in a Congress as diverse as this one, where there could be so many opinions, it would be very difficult to reach this majority, and only after laborious efforts could the end be reached.

There was awareness among parliamentary faction representatives and their concern coincided with the government's urgent need to make this decision in order to give full confidence to Venezuelans and foreigners who conduct economic transactions with our country through financial system operations.

The BCV is a very important institution. It is an institution that is the working hub of the network essential to every country: the banking network, the financial system.

Dr. Antonio Casas Gonzalez is a Venezuelan with broad experience in administrative services, in the BCV itself, and serving Pdvsa, Venezuelan Petroleum—the institution most important to the country's economy. I must explain that he was presented while the dialogue was under way. He was not initially proposed by the government. Talks were begun, the proper atmosphere was created through dialogue, the names of many important Venezuelans were studied, but when the name of Dr. Antonio Casas Gonzalez surfaced, there was such a positive and stimulating response that the Senate, as I have already said, approved the appointment without a single dissenting vote; it was unanimous.

This should give Venezuelans full confidence in our institutions. The feeling of strengthened institutions is reinforced. The national government guarantees full respect for the BCV's autonomy. We have had this respect in the past and we have it now. We had certain conceptual differences with Dr. Krivoy in the handling of the BCV. She felt that these differences warranted the decision she made. The BCV has always had the respect and the absolute assurance of the president.

We expect a harmonious relationship, harmony that will only be set by Venezuela's interests—the country's utmost interests, the interest of the productive sector and all participants in the country's economy. All my fellow countrymen can have this assurance. The presidents of the legislative chambers accompany me in reiterating to our country the confidence people should have that in moments of great difficulty there will always be a possibility and a need to understand one another because the bottom line is that we are all Venezuelans and for us, Venezuela's interest must come first and foremost, above any other interest.

I ask my fellow countrymen to receive this news with pleasure. Dr. Antonio Casas Gonzalez at this moment is in London. He represents Venezuelan Petroleum's affairs in the UK and in other European countries. He has accepted the appointment and tomorrow he should return to Caracas to take up this delicate and important post.

I have complete faith that in the midst of all the problems we are experiencing and despite the attitude of some people, who without realizing it, without caring what harm they can cause to the country, place their concerns and interests above the national interest. [sentence as heard] I believe that any financial unrest that may have been generated following the events of these past few days has been overcome in a truly marvelous way. The Senate president was telling me that this is the first time the Senate has made a unanimous decision. This is a good sign; this fills us with hope for Venezuela's future.

Congress Elects Ivan Badell Prosecutor General

PA2904043794 Caracas Radio Nacional de Venezuela Canal Clasico Network in Spanish 2200 GMT 28 Apr 94

[From the "National Newscast"]

[Text] Two of the largest political forces in Congress have supported jurist Ivan Dario Badell for the post of prosecutor general of the Republic. The designation was made shortly after 1700, when it was confirmed that 137 legislators from Democratic Action and Social Christian Party expressed their support for Dr. Badell, who defeated Dr. Gonzalo Rodriguez Corro to become prosecutor general.

Rodriguez Corro, a former Supreme Court president, received 109 votes from the legislative wings of National Convergence, Movement Toward Socialism, and Radical Cause Party.

Committee To Investigate Corruption Charges

PA2804023594 Caracas Radio Nacional de Venezuela Canal Clasico Network in Spanish 2200 GMT 26 Apr 94

[From the "National Newscast"]

[Text] Paulina Gamus, president of the Comptrollership Committee of the Chamber of Deputies, said statements by the deputy transportation and communications minister represent the first case of corruption in the Rafael Caldera administration.

[Begin Gamus recording] We can call this the first corruption scandal in this administration, which is not yet 100 days old. Rafael Irribaren, former [as heard] deputy transportation and communications minister, has made these charges against Transportation and Communications Minister Cesar Quintini Rosales. In its regular session this afternoon, the Comptrollership Committee will begin an investigation based on the request by Deputy Luis Manuel Esculpi. Through this investigation, we will determine whether what Irribaren is saying is true and why this type of thing is occurring. [end recording]

Deputy Paulina Gamus later said the case will be investigated by the Comptrollership Committee:

[Begin Gamus recording] This afternoon, Deputy Luis Manuel Esculpi of the Movement Toward Socialism asked for the floor to speak about this case. I had already announced on an early morning television program that the Comptrollership Committee was going to immediately open an investigation. Regardless of whether I or Deputy Esculpi made the request, this is a case that falls strictly under the purview of the Comptrollership Committee. [end recording]

Roundup of Economic Developments

PA2704011694

[Editorial Report] The following is a compilation of reports on economic developments monitored through 26 April.

Petroven [Venezuelan Petroleum] directors on 19 April disclosed that the company earned over $1 billion in profits from its participation in foreign firms. The Petroven board of directors met with a group of congressmen to explain the scope of their foreign business dealings. The company owns 100 percent of Citgo Petroleum Corporation, a refinery and by-product distribution company on the U.S. east coast. It also holds shares in other international firms. (Paris AFP in Spanish 1552 GMT 19 Apr 94)

The impact of the pay raise granted by the Ramon Jose Velasquez administration and the minimum wage adjustment enacted by the government will increase the state's passive labor assets by 120.9 billion bolivares, according to studies by Office of Coordination and Planning and the Central Personnel Office. The labor minister says that although urban and suburban minimum wages were increased to 15,000 and 12,5000 bolivares respectively, those raises represent an additional expense of only 10 billion bolivares. He points out, however, that the pay raise granted by the previous administration to the government's professional and technical employees will have a greater impact on the state's passive assets. Meanwhile, the Caldera administration is working to guarantee that resources are available to cover the raises granted to professionals and technicians, which are retroactive to 1 January. (Caracas ECONOMIA HOY in Spanish 20 Apr 94 p 8)

Venezuela's nontraditional exports during the first quarter of 1994 amounted to $853 dollars, $156 million (22.4 percent) more than during the same period in 1993. The information was reported by the Central Statistics and Data Processing Office, which added that nontraditional exports in March 1994 reached $371 million, 42.7 percent more than in February 1994 and 21.2 percent more than in March 1993. Venezuela sent 27.5 percent of its exports to the United States, 26.4 percent to Colombia, 7.2 percent to the UK, 5.5 percent to Mexico, 4.5 percent to the Netherlands, and 1.5 percent to Japan. (Caracas EL NACIONAL in Spanish 23 Apr 94 pp A-24, E-3)